OREGON
COLLEGE SAVINGS PLAN℠
PART OF THE OREGON 529 COLLEGE SAVINGS NETWORK

Oregon College Savings Plan℠
Plan Description and Participation Agreement

April 20, 2007

Plan Highlights

An Overview of the Oregon College Savings Plan (the "Plan") and the Oregon 529 College Savings Network (the "Network")

The Oregon College Savings Plan Trust (the "Trust") was established by the Oregon 529 College Savings Board (the "Board"), which is chaired by the State Treasurer. The Plan is designed to operate in accordance with Section 529 of the Code and promote savings for Qualified Higher Education Expenses.

The Network includes:

- The Plan described in this Plan Description, for which OppenheimerFunds serves as Program Manager and OppenheimerFunds and Vanguard serve as Investment Managers
- Other plans for which OppenheimerFunds and/or MFS Investments are program managers

This Plan Description contains a summary of the terms of the Plan and the Participation Agreement (including the Enrollment Application). This Plan Description forms a part of, and is incorporated into, the Participation Agreement. This Plan Description includes the appendixes attached hereto. Please read this document and the Participation Agreement carefully before you invest or send money. Additional copies of these materials may be obtained at **www.oregoncollegesavings.com** or by calling **1.866.772.8464.**

Minimum Contribution to Open an Account (see page 8 for details)

- $250 minimum initial Contribution
- For Account Owners who make Contributions through an automatic investment plan or payroll deduction, the $250 minimum initial Contribution per Account will be waived provided that a Contribution minimum of $25 per Portfolio is met. Account Owners who wish to discontinue making their Contributions through an automatic investment plan or payroll deduction may do so once their Account balance has reached at least $250

Minimum Initial and Subsequent Contribution(s) per Portfolio (see page 8 for details)

- More than one Portfolio may be selected as investment options for an Account; however, there is a minimum initial and subsequent Contribution per Portfolio of $25

Maximum Contribution Limit (see page 10 for details)

- $250,000 per beneficiary

Eligible Account Owner

- No Oregon residency requirement
- Persons must be at least 18 years of age and a U.S. citizen or resident alien
- State or local government, or a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code
- Custodian under a UGMA/UTMA
- Trusts, corporations or partnerships
- All Accounts for a particular beneficiary must be established in one Network Plan

Age Limits (see page 7 for details)

- No age limits for the Designated Beneficiary
- The Account Owner must be at least 18 years old

School Limits (see page 21 for details)

- Account balances may be used at any accredited post-secondary school in the U.S. or abroad

Tax Advantages Under Current State Law (see page 24 for details)

- Oregon State tax-deferred growth
- Oregon State income tax deduction up to $2,000 per year (up to $1,000 for married taxpayers filing separately)
- Generally, contributions eligible for the previous calendar year's state income tax deduction can be made up to April 15
- Out-of-state residents who pay Oregon State income taxes qualify for the Oregon State income tax deduction for contributions made to the Plan

- Oregon State income tax deduction may be carried forward for four years up to $8,000
- No Oregon State income tax on withdrawals used to pay Qualified Higher Education Expenses

Tax Advantages Under Current Federal Law[1]

- Tax-deferred growth
- No federal income tax on withdrawals used to pay Qualified Higher Education Expenses
- No federal gift tax on Contributions up to $60,000 ($120,000 for spouses electing to split gifts) prorated over five years
- Contributions are considered completed gifts for federal gift and estate tax purposes
- Contributions are not included in the Account Owner's estate for federal estate tax purposes

Qualified Withdrawals (see page 20 for details)

- Account balances may be used to pay for tuition, room and board, supplies, and equipment required for enrollment by a Designated Beneficiary at any Eligible Institution of Higher Learning in this country or abroad (including expenses for special needs services for a special needs beneficiary incurred in connection with such attendance)

Plan Expenses and Fees (see page 17 for details)

- Total Plan Fees (including Underlying Fund expenses and Plan Fees) range from 0.26% to 0.87%[2]
- Non-Oregon residents pay an annual $20 fee per Portfolio that invests in Vanguard® Underlying Funds
- Other fees and charges may apply

Investment Approaches (see page 12 and Appendix B for details)

- Years to College Approach
- Lifestyle Approach

Contact Information (see page 30 for details)

Oregon College Savings Plan℠
PO BOX 173776
Denver, CO 80217
www.oregoncollegesavings.com
1.866.772.8464

The information shown here is only a summary of the Plan. More detailed information about the Plan, including the Portfolios and the mutual funds in which they invest, investment objectives, sales charges, fees, expenses, investment risks, tax consequences, and how to invest, are described in the pages that follow. Please read this entire Plan Description carefully before investing and keep it for future use.

This Plan Description contains information you should know before participating in the Plan. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the adequacy of this Plan Description. Any representation to the contrary is a criminal offense.

Account Owners should rely only on the information contained in this Plan Description. No one is authorized to provide information that is different from the information contained in this Plan Description.

Information in this Plan Description is believed to be accurate as of the date of the Plan Description and is subject to change without notice.

Plan Accounts are not bank deposits, are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Association, are not debt or obligations of, or guaranteed by, any bank or other financial institution or the Plan, the Trust, the Oregon 529 College Savings Board or its members, the Oregon 529 College Savings Network, the State of Oregon, OppenheimerFunds, Inc., OppenheimerFunds Distributor, Inc. or The Vanguard Group, Inc. and involve investment risks, including the possible loss of principal.

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

Account Owners and Designated Beneficiaries do not have access or rights to any assets of the State of Oregon or any assets of the Trust other than assets credited to the Account of that Account Owner for that Designated Beneficiary. See "PLAN AND PORTFOLIO RISKS"

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1. The Pension Protection Act of 2006, signed into law on August 17, 2006, made permanent certain tax advantages and other related rules for Section 529 Plans that had been scheduled to expire (or "sunset") after 2010.
2. Underlying Fund fees were calculated as of the date of the last available Underlying Fund prospectus on March 16, 2007.

This Plan Description contains important information concerning the following topics:

(i) fees and costs (see "PLAN EXPENSES AND FEES");

(ii) investment approaches and investment managers and how and when the Board may change these (see "RIGHTS OF THE BOARD", "INVESTMENT APPROACHES", and "PLAN AND PORTFOLIO RISKS—Plan Risks—Potential Plan Adjustments");

(iii) Portfolio investment performance (see "PORTFOLIO PERFORMANCE INFORMATION");

(iv) federal and state tax considerations (see "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS");

(v) risk factors (see "PLAN AND PORTFOLIO RISKS"); and

(vi) limitations or penalties imposed by the Plan upon transfers between investment approaches, transfers to other Oregon sponsored plans, transfers to other Section 529 savings plans or Nonqualified Withdrawals generally (see "CONTRIBUTIONS" and "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS").

Privacy Policy

As an Account Owner of the Oregon College Savings Plan℠ you are entitled to know how we protect your personal information and how we limit its disclosure.

Information Sources

We obtain nonpublic personal information about our Account Owners and Designated Beneficiaries from the following sources:

- Applications or other forms
- When you create a user ID and password for online Account access
- When you enroll in our electronic document delivery service
- Your transactions with us, our affiliates or others
- A software program on the Plan's website, often referred to as a "cookie," which indicates which parts of our site you've visited
- When you set up challenge questions to reset your password online

If you visit **www.oregoncollegesavings.com** and do not log on to the secure Account information areas, we do not obtain any personal information about you. When you do log on to a secure area, we do obtain your user ID and password to identify you. We also use this information to provide you with products and services that you may be interested in and assist you in other ways.

We do not collect personal information through the Plan's website unless you willingly provide it to us, either directly by email or in those areas of the website that request information. In order to update your personal information (including your mailing address, email address and telephone number), you must first log on to **www.oregoncollegesavings.com.**

If you have set your browser to warn you before accepting cookies, you will receive the warning message with each cookie. You can refuse cookies by turning them off in your browser. However, doing so may limit your access to certain sections of the Plan's website.

We use cookies to help us improve and manage the Plan's website. For example, cookies help us recognize new versus repeat visitors to the site, track the pages visited and enable some special features on the website. This data helps us provide a better service for the Plan's website visitors.

Protection of Information

We do not disclose any nonpublic individual Account information about current or former Account Owners and Designated Beneficiaries to anyone, except as permitted by law.

Disclosure of Information

We send your interested party (if designated by you) copies of confirmations and Account statements for your Plan Accounts. We may also use details about you and your investments to help us, our financial service affiliates or firms that jointly market their financial products and services with ours, to better serve your investment needs or suggest financial services or educational material that may be of interest to you. If this requires us to provide you with an opportunity to "opt in" or "opt out" of such sharing with a firm not affiliated with us, you will receive notification on how to do so, before any such sharing takes place.

Right of Refusal/Consent Required

We will not disclose your personal information to unaffiliated third parties (except as permitted by law), unless we first offer you a reasonable opportunity to refuse or "opt out" of such disclosure, or if you, the person who provides the information or the person who is the subject of the information gives express written consent to such disclosure.

Internet Security and Encryption

In general, the email services provided by the Plan's website are encrypted and provide a secure and private means of communication with us. To protect your own privacy, confidential and/or personal information should only be communicated via email when you are advised that you are using a secure website.

As a security measure, we do not include personal or Account information in nonsecure emails, and we advise you not to send such information to us in nonsecure emails. Instead, you may take advantage of the secure features of the Plan's website to encrypt your email correspondence. To do this, you will need to use a browser that supports Secure Sockets Layer (SSL) protocol.

We do not guarantee or warrant that any part of the Plan's website, including files available for download, are free of viruses or other harmful code. It is your responsibility to take appropriate precautions, such as use of an antivirus software package, to protect your computer hardware and software.

- All transactions are secured by SSL and 128-bit encryption. SSL is used to establish a secure connection between your PC and the Oregon College Savings Plan server. It transmits information in an encrypted and scrambled format.

- Encryption is achieved through an electronic scrambling technology that uses a "key" to code and then decode the data. Encryption acts like the cable converter box you may have on your television set. It scrambles data with a secret code so that no one can make sense of it while it is being transmitted. When the data reaches its destination, the same software unscrambles the data
- You can exit the secure area by either closing your browser, or for added security, you can use the Log Out button before you close your browser

Other Security Measures

We maintain physical, electronic and procedural safeguards to protect your personal Account information. Our employees and agents have access to that information only so that they may offer you products or provide services, for example, when responding to your Account questions.

How You Can Help

You can also do your part to keep your Account information private and to prevent unauthorized transactions. If you obtain a user ID and password for your Account, do not allow it to be used by anyone else. Also, take special precautions when accessing your Account on a computer used by others.

Who We Are

This joint notice describes the Privacy Policy of OppenheimerFunds, Inc. and OppenheimerFunds Distributor, Inc. as the Program Manager and Distributor, respectively, of the Oregon College Savings Plan. It applies to all Oregon College Savings Plan Accounts you presently have, or may have in the future using your Social Security number, whether or not you remain a plan participant of the Oregon College Savings Plan. This notice was last updated on April 20, 2007. In the event it is updated or changed, we will post an updated notice on the Plan's website. If you have any questions about this Privacy Policy, write to us at P.O. Box 173776, Denver, CO 80217, email us by clicking on the "Contact Us" section of the Plan's website at **www.oregoncollegesavings.com** or call us at **1.866.772.8464**.

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DEFINITIONS OF KEY TERMS

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

Account An account established by an Account Owner pursuant to a Participation Agreement for purposes of investing in one or more Portfolios.

ACH Automated Clearing House.

Account Owner The individual or entity establishing an Account or any successor to such individual or entity. References in this document to "you" mean you in your capacity as the Account Owner.

AIP An Automatic Investment Plan.

Board The Oregon 529 College Savings Board, which is the trustee of the Trust.

Broker Any individual or entity that is appropriately licensed to distribute Participation Agreements and interests in the Plan represented by Accounts to public investors and with whom the Program Distributor has entered into an agreement to distribute Plan interests. This term also may include other financial intermediaries such as investment advisers or banks.

Code The Internal Revenue Code of 1986, as amended.

Contribution An amount contributed to an Account.

Coverdell ESA A Coverdell Education Savings Account.

Designated Beneficiary
The individual, designated by the Account Owner, whose Qualified Higher Education Expenses are expected to be paid from the Account or, for Accounts owned by a state or local government or qualifying tax-exempt organization otherwise known as a 501(c)(3) entity as part of its operation of a scholarship program, the recipient of a scholarship.

Eligible Institutions of Higher Education
Accredited post-secondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized post-secondary credential, which are eligible to participate in certain federal student financial aid programs. Certain proprietary institutions, foreign institutions and post-secondary vocational institutions are included, as are certain specified military academies.

IRS The Internal Revenue Service.

Lifestyle Approach
A portfolio that invests in a combination of Underlying Funds, according to a fixed asset allocation specified for such Portfolio.

Network The Oregon 529 College Savings Network, a statutorily created program administered by the Board.

Network Plan A college savings plan established and maintained by the State of Oregon within the Network, other than the Plan.

OppenheimerFunds
OppenheimerFunds, Inc., which serves as Program Manager of the Plan.

Participation Agreement
The contract between the Account Owner and the Board, which establishes the Account and the obligations of the Board and the Account Owner.

Plan Oregon College Savings Plan[SM]

Plan Description The then-current Oregon College Savings Plan.

Portfolio A Plan portfolio, which invests in Underlying Fund(s), that the Board may authorize the Plan to offer and in which the Plan invests Contributions and earnings thereon.

Program Distributor
OppenheimerFunds Distributor, Inc. which serves as Program Distributor of the Plan.

Program Manager
OppenheimerFunds, which serves as Program Manager of the Plan.

Qualified Savings Bonds
Series EE or Series I Bonds.

Section 529 Plan A college savings program established under and operated in accordance with Section 529 of the Code.

U.S. Military Academy
United States Military Academy, the United States Air Force Academy, the United States Coast Guard Academy, the United States Merchant Marine Academy and the United States Naval Academy.

Trust The Oregon College Savings Plan Trust.

UGMA/UTMA The Uniform Gifts to Minors Act or Uniform Transfers to Minors Act.

UGMA/UTMA Custodial Account
An Account that is established with funds transferred from a UGMA/UTMA account.

Underlying Fund(s)
The one or more mutual funds or other investment vehicles in which assets of the Portfolios are invested.

Years to College Approach
A portfolio that invests in a combination of Underlying Funds, according to a fixed asset allocation based upon the number of years until the Designated Beneficiary is expected to attend college.

INTRODUCTION

The Plan and the Network

The Oregon College Savings Plan Trust was established by the Board, which is chaired by the State Treasurer. The Plan is designed to operate in accordance with Section 529 of the Code and promote savings for Qualified Higher Education Expenses.

The Network includes (a) the Plan described in this Plan Description, for which OppenheimerFunds serves as Program Manager and OppenheimerFunds and Vanguard serve as Investment Managers, and (b) other plans for which OppenheimerFunds and/or MFS Investments are Program Managers. OppenheimerFunds has managed the Plan since August 30, 2004. This Plan Description addresses only the Plan and not any other Network Plan.

Tax Matters

The IRS has issued proposed regulations under Section 529 of the Code but has not yet issued final regulations thereunder. Additionally, the proposed regulations do not reflect changes made to Section 529 or guidance issued by the IRS since their promulgation. The Plan as described in this Plan Description is operated so as to comply with Section 529 of the Code as currently in effect. However, the Plan's operations may need to be modified to comply with final regulations, when issued, and such final regulations may alter the tax treatment of Account Owners as discussed herein. The effects might materially affect your expectations with respect to your investment in the Plan. (See page 8 for details.)

The Pension Protection Act of 2006, signed into law on August 17, 2006, made permanent certain tax advantages and other related rules for 529 Plans that had been scheduled to expire (or "sunset") after 2010. Among the most notable tax advantages that are now permanent is that the earnings portion of a qualified withdrawal is exempt from federal tax.

When considering an investment in the Plan, you should be aware that the laws affecting your investment may change or expire while your Account is open.

Non-Oregon Residents

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

The Program Manager

OppenheimerFunds is the Program Manager and provides investment management, administration, recordkeeping and transfer agency services for the Plan. OppenheimerFunds' term under its contract with the Board extends to December 31, 2009, subject to earlier termination in certain circumstances.

Since its founding in 1960, OppenheimerFunds has become one of the nation's leading mutual fund companies. Investors representing more than six million shareholder accounts have entrusted more than $245 billion in assets to OppenheimerFunds and its controlled affiliates and subsidiaries as of March 31, 2007. With more than 60 mutual funds covering the full risk/reward spectrum, OppenheimerFunds works closely with investors and their advisors to help earn income, preserve capital and meet a wide variety of financial goals.

The Investment Manager

OppenheimerFunds has, with the approval of the Board, retained Vanguard to be an Investment Manager for the Plan. In such capacity, Vanguard is responsible for providing recommendations for Portfolio investment options and manages the Vanguard Underlying Funds. Vanguard's term under its subcontract with OppenheimerFunds extends to December 31, 2009, subject to earlier termination in certain circumstances.

THE APPLICATION PROCESS

The Account Owner may be a person at least 18 years of age, a state or local government, a tax-exempt organization described in Section 501(c)(3) of the Code, a custodian under a UGMA/UTMA, or another type of legal entity, such as a trust or a corporation. To open an Account, the Account Owner must complete and sign an enrollment application and submit it online at **www.oregoncollegesavings.com** or by mail to the Program Manager. At the time of enrollment, the Account Owner (other than state or local governments or tax-exempt organizations described in Section 501(c)(3) of the Code) must designate a beneficiary for the Account. Accounts will not be established until the Program Manager accepts a signed, properly completed enrollment application and Account instructions. There is no enrollment fee.

The Designated Beneficiary

There may be only one Account Owner and one beneficiary per Account. The Designated Beneficiary is not required to be related to the Account Owner. One Account Owner may have several Accounts for the same beneficiary or different beneficiaries within the Plan. Also, different Account Owners may have Accounts for the same Designated Beneficiary within the Plan.

Limit on Network Accounts

If an account is established in one of the Network Plans for a Designated Beneficiary, another account cannot be opened for that Designated Beneficiary in a different Network Plan, regardless of account ownership. If you enroll in the Plan and there is already an account for your Designated Beneficiary in another Network Plan, you will be contacted by the Program Manager and asked to change your Designated Beneficiary. If you do not wish to change your Designated Beneficiary, the Account will be closed and the funds will be returned to you.

Limit on Investment Changes

Account Owners may only change how previous Contributions (and any earnings thereon) have been allocated among the available Portfolio options for all Accounts for the same Designated Beneficiary once per calendar year or upon a change of Designated Beneficiary. If more than one Account Owner has named the same individual as the Designated Beneficiary of their accounts than a once-per-year investment reallocation by one of these Account Owners precludes the others from making investment changes in the same calendar year for that Designated Beneficiary unless they change Designated Beneficiaries.

Successor Account Owners

An Account Owner may name a successor Account Owner to assume control of the Account in the event of the original Account Owner's death or legal incapacity.

Control of the Account

The Account and all rights under the Participation Agreement belong to you as Account Owner and not to the Designated Beneficiary. The assets held in your Account can be used to pay for your Designated Beneficiary's Qualified Higher Education Expenses at an Eligible Institution of Higher Education.

Interested Party

An Account Owner may name an interested party on their Account who will receive copies of statements and confirms.

Investments in the Plan

Your Account represents an investment in a security issued by the Trust (an "Interest"), and this Interest is being distributed by the Program Distributor through an agreement with the Program Manager.

Investors should consider the structure of the Plan, and the different investment strategies employed by, and the risks of, the Portfolio investment approaches before opening an Account.

ALLOCATION OF CONTRIBUTIONS

At the time of enrollment, the Account Owner must choose the initial Portfolio(s) for the Account. Although Account Owners may choose to invest new Contributions in any of the Plan's Portfolio(s), they may only change how previous Contributions (and any earnings thereon) have been allocated among the available Portfolio options for all Accounts for the same Designated Beneficiary once per calendar year or upon a change of the Designated Beneficiary. All subsequent Contributions will be invested in the selected Portfolio(s) and at the designated allocations until the Account Owner instructs the Program Manager otherwise.

The Account Owner maintains control over the Account and is responsible for directing any withdrawals. The Designated Beneficiary has no control over the assets of the Account and may not direct withdrawals from the Account, unless he or she is also the Account Owner.

Custodians for minors under the UGMA/UTMA may open Accounts which are subject to additional limitations, such as the inability to change the Designated Beneficiary and certain restrictions on withdrawals.

CONTRIBUTIONS

Except as otherwise noted, the minimum initial Contribution to open an account, is $250 per Account and $25 per Portfolio. The minimum initial Contribution amount of $250 per Account will be waived for Account Owners participating through AIP or payroll deductions provided that the $25 per Portfolio minimum Contribution requirement is met. However, AIP or payroll deduction participants may not stop any automatic investing features until the $250 minimum Account balance has been reached. Contributions to Portfolios are invested in accordance with the investment policy established by the Board. A Contribution, rollover or transfer may be refused if the Board or the Program Manager reasonably believes that (i) the purpose is for other than funding the Qualified Higher Education Expenses of the Designated Beneficiary of an Account, (ii) there appears to be an abuse of the Plan, or (iii) such transaction is unlawful. The Plan may not be able to determine that a specific Contribution, rollover or transfer is for other than funding the Qualified Higher Education Expenses of a Designated Beneficiary, abusive or unlawful. The Plan therefore makes no representation that all such Contributions, rollovers or transfers can or will be rejected.

Minimum Initial Contribution per Portfolio

An Account Owner may allocate his or her Contributions among as many Portfolios as the Account Owner desires except that the minimum initial Contribution per Portfolio is $25.

Methods of Contribution

Contributions may be made to the Program Manager in "cash form" by check, AIP, payroll deduction, money orders, ACH or federal funds wire. No securities will be accepted. Third-party checks will be rejected with the exception of transfers from UGMA/UTMA accounts, Coverdell ESAs or other Section 529 Plan accounts or checks made payable to the Plan, Account Owner or the Designated Beneficiary. Account Owners making an initial Contribution by check must send a minimum initial Contribution of $250 with their enrollment application.

The check must be made payable to "Oregon College Savings Plan." Subsequent Contributions must be at least $25 per Portfolio. The minimum initial Contribution is waived for Accounts to which Contributions are made through an AIP or payroll deduction; those Accounts may be established with a $25 minimum Contribution per Portfolio.

Automatic Investment Plan (AIP)

Account Owners may authorize the Plan to perform periodic automatic debits from a checking or savings account at another financial institution to execute Contributions to their Accounts. To initiate an AIP, Account Owners must either (i) complete the Automatic Investment Plan section of the enrollment application and submit a voided bank check or savings account deposit slip, or (ii) (if the Account has been established) submit to the Program Manager an Account Change Request Form and a voided bank check or savings account deposit slip or (iii) complete the applicable section online at **www.oregoncollegesavings.com.** Automatic Contributions must be at least $25 per Portfolio. An authorization to perform automatic periodic Contributions will remain in effect until the Program Manager has received notification of its termination. Changes to, or termination of, an AIP must occur at least four business days before the cycle date. The cycle date is the day of the month you designate on which the investment is regularly scheduled to occur. Normally, the debit will be made two business days prior to the cycle dates you selected. If no date is indicated, debits will be made on the 10th of the month. Account Owners or the Plan may terminate enrollment in the Plan's AIP at any time. There is no charge for enrolling in the Plan's AIP. Use of AIP does not assure either a profit or protect against a loss in a declining market. Information about the Plan's AIP is available from the Program Manager. Neither the Program Manager, the Program Distributor nor the Plan shall be responsible for any delays in purchasing units that result from delays in ACH transmissions.

Payroll Deduction

Account Owners may be eligible to make automatic periodic Contributions to their Accounts by payroll deduction if their employers offer such a service. The minimum initial and subsequent payroll deduction Contribution is $25 per Portfolio. Contributions by payroll deduction will only be permitted from employers able to meet the Plan's operational and administrative requirements for Section 529 Plan payroll Contributions.

Automated Clearing House (ACH)

To activate this option, an Account Owner must either (i) select it on the enrollment application and submit a voided bank check or savings account deposit slip, or (ii) (if the Account has been established) submit an Account Change Request Form to the Plan and a voided bank check or savings account deposit slip or (iii) complete the appropriate section online at **www.oregoncollegesavings.com.** Neither the Program Manager, the Program Distributor nor the Plan shall be responsible for any delays in purchasing units that result from delays in ACH transmissions.

ROLLOVERS/TRANSFERS

Rollovers

Rollover Contributions to an Account from another Section 529 Plan must be accompanied by the appropriate form as well as any other required documentation. In general, a rollover to a Plan Account from an account within another state's Section 529 Plan will not be considered a Nonqualified Withdrawal subject to the additional 10% federal tax, if such rollover is into an Account for a new Designated Beneficiary who is a Member of the Family of the existing Designated Beneficiary. A rollover from another state's Section 529 Plan for the benefit of the same Designated Beneficiary may be effected income tax free if no other rollover transfers have occurred with respect to such Designated Beneficiary within the prior 12 months. A rollover from another state's Section 529 Plan can be made directly or indirectly. An indirect rollover involves the distribution of money from an account within another state's Section 529 Plan to the Account Owner, who then contributes the money to a Plan Account, provided that the contribution occurs within sixty (60) days of the distribution. You should be aware that not all accounts from other states' Section 529 Plans permit direct rollovers of funds. Additionally, there may be state income tax consequences (and in some cases penalties) from a rollover out of another state's Section 529 Plan.

Plan Transfers for the Account of a New Designated Beneficiary

An Account Owner may make a transfer to a Plan Account for the benefit of a new Designated Beneficiary without imposition of federal income tax or the additional 10% federal tax, if such transfer is made within sixty (60) days of distribution from the originating account into an Account for a new Designated Beneficiary who is a Member of the Family of the existing Designated Beneficiary.

Plan Transfers for the Same Designated Beneficiary

An Account Owner may make a transfer within the Plan for the benefit of the same Designated Beneficiary. If the funds are transferred directly between Plan Accounts, the transfer will be treated as a nontaxable investment reallocation allowable only once per calendar year rather than as a tax-free rollover or transfer. If an Account Owner takes a distribution (i.e., receives a withdrawal check from the transferring account), the withdrawal will be treated as a Nonqualified Withdrawal subject to federal and applicable state income tax and the additional 10% federal tax on earnings (even if amounts are subsequently redeposited).

Transfer into a Plan Account from Another Network Plan for the Benefit of a New Designated Beneficiary

An Account Owner may make a transfer to a Plan Account with funds from an account in another Network Plan for the benefit of a new Designated Beneficiary without imposition of federal income tax or the additional 10% federal tax, if such transfer is made within sixty (60) days of distribution from the originating account into an Account for a new Designated Beneficiary who is a "Member of the Family" of the existing Designated Beneficiary.

Transfer into a Plan Account from Another Network Plan for the Benefit of the Same Designated Beneficiary

A transfer into a Plan Account from an account in another Network Plan for the benefit of the same Designated Beneficiary will be treated as a nontaxable investment reallocation allowable only once per calendar year rather than as a tax-free rollover or transfer. If an Account Owner takes a distribution (i.e., receives a withdrawal check from the transferring account), the withdrawal will be treated as a Nonqualified Withdrawal subject to federal and applicable state income tax and the additional 10% federal tax on earnings (even if amounts are subsequently redeposited).

In the case of a transfer to a Plan Account from an account in another Network Plan, the entire balance of the Network Plan account must be transferred and the entire balance of all other accounts in the Network Plan for that Designated Beneficiary opened by that Account Owner or any other Account Owner must be transferred to the Plan Account, unless the Account Owner changes the Designated Beneficiary of the Network Plan account(s). See "CHANGING THE DESIGNATED BENEFICIARY" on page 19.

Rollovers from Coverdell ESAs and Qualified Savings Bonds
Tax-free transfers into a Plan Account may be made from a Coverdell ESA or in connection with the redemption of Qualified Savings Bonds. See "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS" on page 23 for more details.

Third-Party Contributions
Individuals (including the Designated Beneficiary) who are not the Account Owner may make Contributions to an Account; however, the Account Owner will retain control over the Account (including withdrawals) and will have control over the monies contributed by such third-party contributors. Such Contributions may have gift or other tax consequences. See "TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS—Federal Gift and Estate Taxes" on page 24 for more details.

NET ASSET VALUE

The Program Manager calculates a net asset value (NAV) for each Unit class of a particular Portfolio, after 4pm ET, on each day that the New York Stock Exchange is open for trading. NAV is computed by dividing the value of the Underlying Funds held in a Portfolio, plus any receivables and less any liabilities (including the Management and Administrative Fees) of such Portfolio, by the number of outstanding Units for each Unit class of the Portfolio. The Unit classes of a particular Portfolio may have different NAVs. The Unit NAV for purposes of calculating the investment or reinvestment of Contributions received in good order by the Program Manager will be the net asset value calculated for the business day. Contributions are invested or reinvested as described in this Plan Description. The Unit NAV used to calculate the value of a withdrawal from an Account will be the one next computed after a completed withdrawal request is received in good order by the Program Manager.

REQUIRED INFORMATION UPON CERTAIN CONTRIBUTIONS TO THE PLAN

When making a Contribution to a Plan Account through a transfer from a Coverdell ESA, a redemption of Qualified Savings Bonds, a rollover from another Section 529 Plan or a transfer from a Network Plan, the contributor must indicate the source of the Contribution and provide the Program Manager with the following documentation, as applicable:

- In the case of a Contribution from a Coverdell ESA, an account statement issued by the financial institution that acted as custodian of the Coverdell ESA that shows basis and earnings in the Coverdell ESA
- In the case of a Contribution from the redemption of a Qualified Savings Bond, an account statement or IRS Form 1099-INT issued by the financial institution that processed the bond redemption showing interest from the redemption of the bond
- In the case of a rollover Contribution from another state's Section 529 Plan, a statement issued by the distributing plan that shows the earnings portion of the distribution
- In the case of any direct transfer from a Network Plan, the distributing Network Plan must provide the Plan a statement that shows the earnings portion of the distribution

Unless and until the Program Manager receives the documentation described above, as applicable, the Plan will treat the entire amount of the Contribution as earnings in the Account receiving the distribution.

Selection of Investment Option(s)
Investment option(s) and the percentage of each contribution to be allocated to the portfolio(s) selected must be indicated on the Account Application. The total allocation may not exceed 100%. A participant must also indicate on the Account Application the Unit Class in which the initial contribution should be invested. All subsequent contributions will be invested in the selected Portfolio(s) and at the designated allocations until, the Account Owner instructs the Program Manager otherwise.

Investment Changes
An Account Owner may change how previous Contributions (and any earnings thereon) have been allocated among the available portfolio options for all Accounts for the same Designated Beneficiary only once per calendar year by contacting the Program Manager; however, the investment allocation of future Contributions can be changed at any time.

MAXIMUM ACCOUNT BALANCE LIMIT

Although there is no limit upon the growth of an Account, Contributions to an Account, will only be permitted if the aggregate balance, including the proposed Contribution amount of all Plan (and Network) Accounts for the same Designated Beneficiary does not exceed $250,000.[3] Pursuant to Section 529 of the Code, the Board sets the maximum account balance limit for all Accounts for a Designated Beneficiary.

The Board expects to evaluate the maximum account balance limit periodically. Accounts that have reached the maximum account balance limit may continue to increase in value depending on market fluctuation. While not now expected, it is possible that federal tax law might impose different limits on maximum account balances in the future.

EXCESS CONTRIBUTIONS

The Program Manager may return all or any part of a Contribution that would cause the market value of the Accounts held on behalf of a particular Designated Beneficiary in the aggregate to exceed the maximum account balance limit discussed in the immediately preceding section ("Excess Contribution"). Excess Contributions may be subject to a penalty imposed by the Plan.

CONTRIBUTION POLICIES AND RELATED FEES

Following receipt of Contributions by check or by transfer of funds electronically, the Plan reserves the right, subject to applicable law, not to allow withdrawals of those funds (or their equivalent) for up to 10 calendar days. The Plan may impose a fee (which may be deducted from the Account) for any check, AIP debit or ACH Contribution returned unpaid by the financial institution upon which it is drawn.

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3. For purposes of the maximum Account balance limit, balances for all Accounts for the same Designated Beneficiary under all Plan Accounts (and all Network Plan Accounts) are aggregated.

Account Transactions
Transaction requests (Contributions to Accounts, withdrawal requests and exchanges among Portfolios) received in good order prior to the close of the New York Stock Exchange (NYSE), normally 4pm ET, will be processed on the same business day or on the next succeeding business day if the transaction request is received after the close of the NYSE. Excess Contributions will not be invested. Dividends and/or capital gains paid by the Underlying Funds to the Plan are reinvested in the applicable Portfolio and not into individual Accounts.

Confirmations, Statements and Reporting
Confirmations will be mailed for any activity in an Account, except for Contributions made through the AIP, payroll deduction or Systematic Exchange Feature. Account Owners will receive quarterly statements as well as an annual summary of all Account activity for the calendar year. An Account Owner has 60 days to notify the Program Manager of any errors on any Account confirmation, statement or report.

Account Owners can securely access and manage their Account information—including quarterly statements, transaction confirmations, and tax forms—24 hours a day at **www.oregoncollegesavings.com** once an online user ID and password has been created. If an Account Owner opens an Account online, the Plan requires a user ID and password to be selected right away. If an Account Owner opens an Account by submitting a paper application, a user ID and password may be established at **www.oregoncollegesavings.com.**

Protecting Your Account
The Plan uses reasonable procedures to confirm that transaction requests are genuine, The Account Owner may be responsible for losses resulting from fraudulent or unauthorized instructions received by the Program Manager provided the Program Manager reasonably believes the instructions were genuine. To safeguard your Account, please keep your Account information confidential. Contact the Program Manager immediately if you believe there is a discrepancy between a transaction you performed and the confirmation statement you received, or if you believe someone has obtained unauthorized access to your Account.

Systematic Exchange Feature
The Plan allows Account Owners the ability to invest Contributions in the Plan and take advantage of dollar cost averaging via monthly, quarterly or annual Systematic Exchanges. Account Owners may choose an originating Portfolio and designate a destination Portfolio into which specified dollar amounts (a minimum of $25) will be transferred on a monthly, quarterly or annual basis. Account Owners can choose the Systematic Exchange Feature on their initial enrollment application or subsequently on a maintenance form, by calling **1.866.772.8464** or by completing the appropriate section online at **www.oregoncollegesavings.com.** Account Owners must have at least $1,000 in the originating Portfolio to start the Systematic Exchange Feature. An election to begin or end investing Account balances pursuant to the Plan's Systematic Exchange Feature is treated as the Account Owner's once-per-calendar-year investment reallocation.

Ownership of Contributions
Any individual or entity may make Contributions to an Account. Only the Account Owner will receive confirmation of Account transactions. The Account Owner owns all Contributions made to an Account as well as all earnings credited to the Account. Individuals or entities other than the Account Owner that contribute funds to an Account will have no subsequent control over the Contributions. Only the Account Owner may direct transfers, rollovers, investment changes (as permitted under federal law), withdrawals and changes in the Designated Beneficiary.

CREDITORS' CLAIMS

Federal Law
Federal bankruptcy law provides that Contributions to an Account that are made within 365 days of the filing of a bankruptcy petition by an Account Owner are part of the Account Owner's bankruptcy estate, and thus available to creditors.

Contributions to all Accounts for a single Designated Beneficiary made between 365 and 720 days before the filing of a bankruptcy petition by an Account Owner are not considered part of the Account Owner's bankruptcy estate to the extent the aggregate of such Contributions does not exceed $5,000, and thus such Contributions that do not exceed $5,000 are not available to creditors: provided that (i) such Contributions do not exceed the Plan's maximum account balance limit, and the (ii) Designated Beneficiary of such Account is a child, stepchild, grandchild or step grandchild of the Account Owner (a legally adopted child or a foster child of an Account Owner is treated as a child of such Account Owner by blood).

All Contributions to all Accounts for a single Designated Beneficiary made at least 720 days before the filing of a bankruptcy petition by an Account Owner are not considered part of the Account Owner's bankruptcy estate, and thus are not generally available to creditors.

An Account Owner filing a bankruptcy petition must report to the bankruptcy court any interest that the Account Owner has in a Section 529 plan.

Oregon Law
Oregon law provides that the right of a Designated Beneficiary or Account Owner to payment from, and the moneys within, an Account are exempt from creditors' claims provided they are Oregon taxpayers.

NO ASSIGNMENTS OR PLEDGES

Neither an Account nor any portion thereof may be assigned transferred or pledged as security for a loan (including, but not limited to, a loan used to make Contributions to the Account) or otherwise either by the Account Owner or by the Designated Beneficiary. Any pledge of an interest in an Account will be of no force and effect.

SUCCESSOR ACCOUNT OWNER

An Account Owner may designate a successor Account Owner to succeed to all of the current Account Owner's rights, titles, and interest in an Account (including the right to change the Designated Beneficiary) upon the death or legal incapacity of the current Account Owner. Such designation must either be on the original enrollment application or submitted in writing to the Program Manager and is not effective until it is received and processed by the Program Manager. The designation of a successor Account Owner may be revoked or changed at any time by the Account Owner by submitting an Account Change Request Form to the Program Manager or by completing the appropriate section online at **www.oregoncollegesavings.com.** Please contact the Program Manager at **1.866.772.8464** for information needed to change the ownership of an Account. Account Owners should consult a tax advisor regarding tax issues that might arise on a transfer of Account ownership.

RIGHTS OF THE BOARD

The Board reserves the right at any time, among other things, to:

- Refuse, change, discontinue, or temporarily suspend accepting Contributions, rollovers or transfers and processing withdrawal requests
- Delay sending out the proceeds of a withdrawal request for up to 10 calendar days
- Change the Plan's fees and charges
- Add, subtract, terminate or merge Portfolios, or change the Portfolios included in the Plan, the asset allocation of the Portfolios, or the Underlying Funds in which any Portfolio invests
- Terminate an Account and/or assess a penalty against the Account if the Board determines that the Account Owner or the Designated Beneficiary has provided false or misleading information to the Board, the Program Manager, the Program Distributor or an Eligible Institution of Higher Education
- Amend the Declaration of Trust, the Participation Agreement, this Plan Description or the enrollment application
- Suspend or terminate the Trust without any action on the part of the Account Owners or Designated Beneficiaries by giving written notice of such action

INVESTMENT APPROACHES

General

All information contained in this Section has been provided by OppenheimerFunds and Vanguard. Such information has not been independently verified by the Board and no representation is made by the Board as to its accuracy or completeness. No Underlying Fund financial information is included in this Plan Description.

Account Owners, at the time of enrollment, select from the following investment approaches:

- Years to College Approach
- Lifestyle Approach

Contributions to the Plan are invested in the investment approach(es) selected by the Account Owner. The Board has designed each Portfolio with a different investment objective and asset allocation mix because investors have different investment goals, savings needs, investment time horizons, risk tolerances and financial and tax situations. Each Portfolio invests in one or more Underlying Funds. The actual mix of assets in Portfolios that invest in more than one Underlying Fund will vary over time due to market performance and will be rebalanced at least quarterly in order to maintain the Portfolio's target asset allocation. Portfolios with higher allocations in bond and money market Underlying Funds tend to be less volatile than those with higher equity Underlying Fund allocations. None of the Portfolios is designed to provide any particular total return over any particular time period or investment time horizon. Account Owners own interests in a Portfolio; they do not have a direct beneficial interest in the mutual funds and other instruments held by that Portfolio and, therefore, do not have the rights of an owner or shareholder of such mutual funds or the other instruments. Because the Portfolios have different investment objectives, Account Owners have the opportunity to diversify their investment in the Plan. When investing in the Plan, an Account Owner should consider, among other factors, when Contributions will be made to the Account, the Contribution amounts, the time Contributions will be held in the Account before withdrawals are directed, other resources expected to be available to fund the Designated Beneficiary's Qualified Higher Education Expenses and the age of the Designated Beneficiary.

Under federal tax law, once a Portfolio selection has been made, an Account Owner may only change how previous Contributions (and any earnings thereon) have been allocated among the available Portfolio options for all Accounts for the same Designated Beneficiary once per calendar year or upon a change of the Designated Beneficiary. The Portfolios are not insured or guaranteed by the State of Oregon, the Board, the Network, the Plan, OppenheimerFunds, Inc., OppenheimerFunds Distributor, Inc. or Vanguard (collectively, "Program Parties"), the Federal Deposit Insurance Corporation or any government agency. Under Oregon law, neither the Network, the Board, any member of the Board or the State of Oregon insures any Account or guarantees any rate of return or any interest rate on any Contribution, and neither the Network, the Board any member of the Board or the State of Oregon is liable for any loss incurred by any person as a result of participating in the Network. An Account may fluctuate in value and may be worth more or less than the amounts contributed at any given time.

Years to College Approach

If an Account Owner selects the Years to College investment approach, Contributions are invested in a Portfolio based upon the number of years until the Designated Beneficiary is expected to attend college or enroll in an institution of higher education, as reported on the enrollment application. Accounts for younger Designated Beneficiaries will be invested in a Portfolio that seeks to capitalize on the longer investment time frame and maximize returns. As time passes and the Designated Beneficiary approaches college age, investments are automatically moved to more conservative Portfolios that seek to preserve capital as the expected time for disbursement approaches. In the appropriate years, the movement between Portfolios will automatically take place on the first business day in August or as soon as practicable thereafter.

- ***OppenheimerFunds 10+ Years to College Portfolio*** invests primarily in equity investments in order to seek capital appreciation. This Portfolio seeks long-term growth by investing primarily in equity mutual funds. A percentage of assets will be invested in fixed income mutual funds to provide some protection from equity volatility. This Portfolio has an asset allocation target of 80% equity mutual funds and 20% fixed income mutual funds
- ***OppenheimerFunds 7–9 Years to College Portfolio*** invests in a combination of equity and fixed income investments in order to seek the portfolio's objective of capital appreciation and income. This Portfolio seeks moderate growth by investing in a balanced asset allocation slightly weighted toward equity mutual funds over fixed income mutual funds. This Portfolio has a target allocation of 60% equity mutual funds and 40% fixed income mutual funds
- ***OppenheimerFunds 4–6 Years to College Portfolio*** invests in a combination of equity and fixed income investments in order to seek the Portfolio's objectives of both capital appreciation and income. This Portfolio seeks moderate growth by investing in a balanced asset allocation slightly weighted toward fixed income mutual funds over equity mutual funds. This Portfolio has a target allocation of 40% equity mutual funds and 60% fixed income mutual funds
- ***OppenheimerFunds 1–3 Years to College Portfolio*** invests primarily in fixed income and money market investments in order to seek the Portfolio's objectives of income and protection of principal. This Portfolio seeks preservation of capital with minimal growth by investing primarily in fixed income mutual funds to maintain stability. The target allocation is 20% equity mutual funds and 80% in fixed income mutual funds
- ***OppenheimerFunds In College Portfolio*** invests in fixed income and money market investments in order to seek the Portfolio's objectives of income and protection of principal. This Portfolio seeks preservation of capital with minimal growth by investing primarily in fixed income mutual funds and a money market mutual fund to maintain stability. The target allocation is 60% fixed income mutual funds and 40% in a money market fund

Below are the Underlying Funds and Target Allocations for each Years to College Portfolio. See "PLAN AND PORTFOLIO RISKS—Investment Risks of the Underlying Funds" on page 27 and Appendix B for more detailed information regarding the investment risks and objectives, respectively, of the Underlying Funds. For current information regarding the Underlying Funds, please visit the Plan's website at **www.oregoncollegesavings.com.**

Years to College Portfolios[1]	Underlying Funds and Target Allocations for the Years to College Portfolios							
	Oppenheimer Global Fund	Oppenheimer Main Street Opportunity Fund®	Oppenheimer Main Street Small Cap Fund®	Oppenheimer Capital Appreciation Fund	Oppenheimer Value Fund	Oppenheimer Core Bond Fund	Oppenheimer Limited-Term Government Fund	Oppenheimer Money Market Fund, Inc.
OppenheimerFunds 10+ Years to College	20%	10%	10%	20%	20%	10%	10%	0%
OppenheimerFunds 7-9 Years to College	15	15	5	10	15	20	20	0
OppenheimerFunds 4-6 Years to College	10	5	5	10	10	30	30	0
OppenheimerFunds 1-3 Years to College	0	5	0	5	10	35	45	0
OppenheimerFunds In College	0	0	0	0	0	20	40	40

1. Each Portfolio invests in the institutional (Y) class of shares of the applicable Underlying Fund.

Lifestyle Approach

Account Owners who prefer to select a Portfolio for its asset allocation target may do so through the Lifestyle Approach instead of selecting a Portfolio under the Years to College Approach. Selection of Portfolios under the Lifestyle Approach allows Account Owners to select a combination of OppenheimerFunds Portfolios. While the asset allocations for the Lifestyle Portfolios are not expected to vary, the Underlying Funds in which the Portfolios invest will be reviewed at least annually and may change. If you invest in a Portfolio, your money will remain in that Portfolio until you instruct the Plan to move it to another investment approach or Portfolio. None of the Portfolios are designed to provide any particular total return over any particular time period or investment time horizon The Lifestyle Portfolios include:

- OppenheimerFunds Aggressive Portfolio
- OppenheimerFunds Moderate Portfolio
- OppenheimerFunds Balanced Portfolio
- OppenheimerFunds Conservative Portfolio
- OppenheimerFunds Ultra Conservative Portfolio
- OppenheimerFunds 100% Equity Portfolio
- OppenheimerFunds Money Market Portfolio

Below are the Underlying Funds and Target Allocations for each Lifestyle Portfolio. See "PLAN AND PORTFOLIO RISKS—Investment Risks of the Underlying Funds" on page 27 and Appendix B for more detailed information regarding the investment risks and objectives, respectively, of the Underlying Funds. For current information regarding the Underlying Funds, please visit the website at **www.oregoncollegesavings.com.**

Lifestyle Portfolios[1]	Underlying Funds and Target Allocations for the Lifestyle Portfolios							
	Oppenheimer Global Fund	Oppenheimer Main Street Opportunity Fund®	Oppenheimer Main Street Small Cap Fund®	Oppenheimer Capital Appreciation Fund	Oppenheimer Value Fund	Oppenheimer Core Bond Fund	Oppenheimer Limited-Term Government Fund	Oppenheimer Money Market Fund, Inc.
OppenheimerFunds Aggressive	20%	10%	10%	20%	20%	10%	10%	0%
OppenheimerFunds Moderate	15	15	5	10	15	20	20	0
OppenheimerFunds Balanced	10	5	5	10	10	30	30	0
OppenheimerFunds Conservative	0	5	0	5	10	35	45	0
OppenheimerFunds Ultra Conservative	0	0	0	0	0	20	40	40
OppenheimerFunds 100% Equity	0	30	10	30	30	0	0	0
OppenheimerFunds Money Market	0	0	0	0	0	0	0	100

1. Each Portfolio invests in the institutional (Y) class of shares of the applicable Underlying Fund.

OppenheimerFunds Aggressive Portfolio invests primarily in equity investments in order to seek capital appreciation. This Portfolio seeks long-term growth by investing primarily in equity mutual funds. A percentage of assets will be invested in fixed income mutual funds to provide some protection from equity volatility. This Portfolio has an asset allocation target of 80% equity mutual funds and 20% fixed income mutual funds.

OppenheimerFunds Moderate Portfolio invests in a combination of equity and fixed income investments in order to seek the Portfolio's objective of capital appreciation and income. This Portfolio seeks moderate growth by investing in a balanced asset allocation slightly weighted toward equity mutual funds over fixed income mutual funds. This Portfolio has a target allocation of 60% equity mutual funds and 40% fixed income mutual funds

OppenheimerFunds Balanced Portfolio invests in a combination of equity and fixed income investments in order to seek the Portfolio's objectives of both capital appreciation and income. This portfolio seeks moderate growth by investing in a balanced asset allocation slightly weighted toward fixed income mutual funds over equity mutual funds. This Portfolio has a target allocation of 40% equity mutual funds and 60% fixed income mutual funds.

OppenheimerFunds Conservative Portfolio invests primarily in fixed income investments in order to seek the Portfolio's objectives of income and protection of principal. This Portfolio seeks preservation of capital with minimal growth by investing primarily in fixed income mutual funds to maintain stability. The target allocation is 20% equity mutual funds and 80% in fixed income mutual funds.

OppenheimerFunds Ultra Conservative Portfolio invests in fixed income and money market investments in order to seek the Portfolio's objectives of income and protection of principal. This Portfolio seeks preservation of capital with minimal growth by investing primarily in fixed income mutual funds and a money market mutual fund to maintain stability. The target allocation is 60% fixed income mutual funds and 40% in a money market fund.

OppenheimerFunds 100% Equity Portfolio seeks long-term growth by investing all of it's assets in equity mutual funds. If required, a small percentage of the Portfolio's assets may be invested in fixed income mutual funds to provide some protection from volatility in the equity markets. The target allocation is 100% equity mutual funds.

Single Fund Portfolio Approach
The following Portfolios invest 100% of their assets in a single Underlying Fund.

OppenheimerFunds Money Market Portfolio seeks preservation of capital by investing all of its assets in a money market Mutual Fund to maintain stability.

Vanguard Total Stock Market Index Portfolio seeks to track the performance of a benchmark index that measures the investment return of the overall stock market by investing all of its assets in a single Underlying Fund, Vanguard® Total Stock Market Index Fund. The Fund employs a "passive management"—or indexing—investment strategy designed to track the performance of the MSCI U.S. Broad Market Index (Index), which represents 99.5% or more of the total market capitalization of all of the U.S. common stocks regularly traded on the New York and American Stock Exchanges and the Nasdaq over-the-counter market. The Fund typically holds 1,200-1,300 in its target index (covering nearly 95% of the Index's total market capitalization) and a representative sample of the remaining stocks. The Fund holds a range of securities that, in the aggregate, approximate the full Index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

An investment in the Fund could lose money over short or even long periods. You should expect the Fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The Fund is primarily subject to stock market risk and has low levels of index sampling risk and derivatives risk. (See "Risks of Investing in Vanguard Underlying Funds" on page 29 for a description of these risks.)

Vanguard Total Bond Market Index Portfolio seeks to track the performance of a broad, market-weighted bond index by investing all of its assets in a single Underlying Fund, Vanguard® Total Bond Market Index Fund. The Fund employs a "passive management"—or indexing—investment strategy designed to track the performance of the Lehman Brothers Aggregate Bond Index (Index). This Index measures a wide spectrum of public, investment-grade, taxable fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than one year. The Fund invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full index in terms of key characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the Index. The Fund may use up to 10% of its assets to overweight nongovernment bonds (and correspondingly underweight government bonds) relative to the Index, but the overall credit quality of the Fund's nongovernment holdings will meet or exceed the overall credit quality of the Index's nongovernment holdings. The Fund maintains a dollar-weighted average maturity consistent with that of the Index, which currently ranges between five and 10 years.

An investment in the Fund could lose money over short or even long periods. You should expect the Fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall bond market. The Fund is primarily subject to interest rate risk; has low to moderate levels of income risk, credit risk, call/prepayment risk; and has low levels of index sampling risk and derivatives risk. (See "Risks of Investing in Vanguard Underlying Funds" on page 29 for a description of these risks.)

Vanguard Balanced Index Portfolio seeks (with 60% of its assets) to track the investment performance of a benchmark index that measures the investment return of the overall U.S. stock market and (with 40% of its assets) to track the investment performance of a broad, market-weighted bond index by investing all of its assets in a single Underlying Fund, Vanguard® Balanced Index Fund. The Fund employs a "passive management"—or indexing—investment strategy designed to track the investment performance of two benchmark indexes. The Fund invests by sampling its target indexes, meaning that it holds a range of securities that, in the aggregate, approximates the full indexes in terms of key characteristics. With 60% of its assets, the Fund seeks to track the investment performance of the MSCI U.S. Broad Market Index, which represents 99.5% or more of the total market capitalization of all of the U.S. common stocks regularly traded on the New York and American Stock Exchanges and the Nasdaq over-the-counter market. The Fund typically holds 1,200-1,300 stocks in the MSCI Broad Market Index and a representative sample of the remaining stocks. With 40% of its assets, the Fund seeks to track the investment performance of the Lehman Brothers Aggregate Bond Index, which measures a wide spectrum of public, investment-grade, taxable fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities—all with maturities of more than one year. At least 80% of the bond portion of the Fund is invested in bonds held in the Lehman Brothers Aggregate Bond Index, and all of the Fund's bond holdings are selected through the sampling process. The bond portion of the Fund maintains a dollar-weighted average maturity consistent with that of the Lehman Brothers Aggregate Bond Index, which currently ranges between five and 10 years.

The Fund is subject to several stock and bond market risks, any of which could cause an investor to lose money. However, because stock and bond prices can move in different directions or to different degrees, the Fund's bond and short-term investment holdings may counteract some of the volatility experienced by the Fund's stock holdings. The Fund's stock portion is primarily subject to stock market risk. The Fund's bond portion is primarily subject to interest risk, and has low-to-moderate levels of income risk, call/prepayment risk and credit risk. The Fund also has low levels of index sampling risk and derivatives risk. (See "Risks of Investing in Vanguard Underlying Funds" on page 29 for a description of these risks.)

Vanguard Total International Stock Index Portfolio seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in Europe, the Pacific region, and emerging market countries by investing all of its assets in Vanguard® Total International Stock Index Fund. The Fund employs a "passive management"—or indexing—investment approach designed to track the performance of the Total International Composite Index by investing in three other Vanguard® funds—Vanguard® European Stock Index Fund, Vanguard® Pacific Stock Index Fund and Vanguard® Emerging Markets Stock Index Fund. These funds seek to track the Morgan Stanley Capital International (MSCI) Europe Index, the MSCI Pacific Index and the MSCI Emerging Markets Index, which together make up the Total International Composite Index. Vanguard® Total International Stock Index Fund allocates all, or substantially all, of its assets among the Vanguard® European Stock Index Fund, the Vanguard® Pacific Stock Index Fund, and the Vanguard® Emerging Markets Stock Index Fund, based on the market capitalization of European, Pacific, and emerging markets stocks in the Total International Composite Index.

An Investment in the Fund could lose money over short or even long periods. You should expect the Fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. The Fund primarily is subject to stock market risk and foreign securities risk, and has a low level of derivatives risk. (See "Risks of Investing in Vanguard Underlying Funds" on page 29 for a description of these risks.)

PORTFOLIO PERFORMANCE INFORMATION

The following table presents the Average Annual Total Returns for each Portfolio for the periods shown to December 31, 2006. The Portfolio performance information represents past performance and is no guarantee of future results. The Average Annual Total Returns presented reflect past performance and are net of Total Annual Asset-based Plan Fees (including Underlying Fund expenses and Plan Fees) and do not take into account the annual Account maintenance fee of $20 per Vanguard Portfolio payable by non-Oregon residents and do not take into account the impact of any potential federal or state taxes.

In evaluating the Portfolio performance information, the Account Owner should consider that the Portfolios are relatively new and do not have a significant operating or investment performance history. Performance information for the Portfolios should not be viewed as a prediction of future performance of any particular Portfolio. Moreover, in view of anticipated periodic revisions of allocations and possible changes in the underlying mutual funds, the future investment results of any Portfolio cannot be expected, for any period, to be similar to the past performance of any underlying mutual fund or group of mutual funds.

Updated Portfolio performance information current to the most recent month-end is available online at **www.oregoncollegesavings.com** or by calling **1.866.772.8464.** For more information, including performance information, on the underlying Oppenheimer mutual funds in which the Portfolios invest, please visit **www.oppenheimerfunds.com** or call OppenheimerFunds at **1.800.525.7048** and obtain a free prospectus. For more information, including performance information, on the underlying Vanguard mutual funds in which the Portfolios invest, please visit **www.vanguard.com** or call Vanguard at **1.866.734.4530** and obtain a free prospectus.

Periods ended December 31, 2006

	Average Annual Total Return		
	1-Year	Since Inception	Commencement of Operations
OppenheimerFunds 10+ Years to College/Aggressive Portfolio	12.33%	13.64%	8/30/2004
*Customized Performance Benchmark**	14.48	N/A	
OppenheimerFunds 7-9 Years to College/Moderate Portfolio	10.65	11.16	8/30/2004
*Customized Performance Benchmark**	12.18	N/A	
OppenheimerFunds 4-6 Years to College/Balanced Portfolio	8.53	8.47	8/30/2004
*Customized Performance Benchmark**	9.92	N/A	
OppenheimerFunds 1-3 Years to College/Conservative Portfolio	6.47	5.38	8/30/2004
*Customized Performance Benchmark**	6.51	N/A	
OppenheimerFunds In College/Ultra Conservative Portfolio	4.60	3.16	8/30/2004
*Customized Performance Benchmark**	4.45	N/A	
OppenheimerFunds 100% Equity Portfolio	13.16	13.92	8/30/2004
*Customized Performance Benchmark**	15.72	N/A	
OppenheimerFunds Money Market Portfolio	3.88	2.93	8/30/2004
*Customized Performance Benchmark**	4.85	N/A	
Vanguard Total Stock Market Index Portfolio	15.42	13.91	8/30/2004
*Customized Performance Benchmark**	15.72	N/A	
Vanguard Total Bond Market Index Portfolio	4.14	3.21	8/30/2004
*Customized Performance Benchmark**	4.33	N/A	
Vanguard Balanced Index Portfolio	10.80	9.69	8/30/2004
*Customized Performance Benchmark**	11.08	N/A	
Vanguard Total International Stock Index Portfolio	26.25	25.62	8/30/2004
*Customized Performance Benchmark**	26.92	N/A	

* The benchmarks for the Oregon College Savings Plan℠ Portfolios are based on a blend of the benchmarks applicable to each Underlying Fund category: for the Oppenheimer domestic equity funds, the Russell 3000 Index; for Oppenheimer Global Fund, the Morgan Stanley Capital International Inc. Europe, Australia and Far East (MSCI EAFE) Index; for Oppenheimer Core Bond Fund and the Vanguard® Total Bond Market Index Fund, the Lehman Brothers Aggregate Bond Index; for Oppenheimer Limited-Term Government Fund, the Lehman Brothers 1-3 Year Government Bond Index; for Oppenheimer Money Market Fund, Inc., the 90-day T-bill; for the Vanguard® Total Stock Market Index Fund, the Wilshire 5000 Index; for the Vanguard® Total International Stock Index Fund, the MSCI Total International Composite Index; and for the Vanguard® Balanced Index Fund, a combination of the Wilshire 5000 Index and the Lehman Brothers Aggregate Bond Index. Investors cannot directly invest in a compilation of benchmark indices.

PLAN EXPENSES AND FEES

Each Account bears certain ongoing Portfolio fees (including the Management Fee and Administrative Fee described below) which are charged against the assets of the Portfolios, to provide for the costs associated with the distribution, servicing and administration of the Account. These Portfolio fees, which are described below, will reduce the value of the Account as they are incurred. Accounts also will indirectly bear fees and expenses of the Underlying Funds in which the Portfolios invest. In addition, the Accounts may be charged certain fees and expenses which are not reflected in the charts below. These charges include the fees of independent public accountants for conducting annual audits and other fees and expenses the Board may from time to time impose. The Board may change, or add new fees at any time.

Management Fee

A Management Fee at the annual rate of 0.10% of the average daily net assets of the Plan is paid on a monthly basis to OppenheimerFunds for Plan administration and investment management services. OppenheimerFunds and Vanguard each receive compensation directly from certain of the Underlying Funds in which the Portfolios invest for serving as the investment adviser of those funds. The Management Fee shall be reduced to five hundredths of one percent (0.05%) when the Plan has a total of $500 million in assets.

Administrative Fee

The Board receives an Administrative Fee at the annual rate of 0.10% of the average daily net assets of the Plan for administering the Plan. The fees received by the Board will be used to administer and market the Plan. Any amounts deemed not necessary for such uses may be used for any purpose related to the Network. Each Account indirectly bears its pro rata share of the Administrative Fee.

Annual Account Fee—Non-Oregon Residents

Non-Oregon residents pay an annual fee of $20 per Vanguard Portfolio in their Account(s). This fee is charged on the last business day of August each year. If an Account that is subject to this annual fee is closed or transferred before the fee is charged, the fee for such year will be the pro rata portion of such fee for the portion of the final year for which the Account was open.

The following are the Plan's fees and expenses.

	Annual Asset-based Plan Fees				Additional Investor Expenses
		Plan Fees			
Portfolio	**Weighted Average Expense Ratio of Underlying Funds[1]**	**Management Fee**	**Administrative Fee**	**Total Plan Fees (including Underlying Fund expenses and Plan Fees)[2]**	**Annual Account Maintenance Fee[3]**
OppenheimerFunds 10+ Years to College/Aggressive Portfolio	0.67%[4]	0.10%	0.10%	0.87%	N/A
OppenheimerFunds 7-9 Years to College/Moderate Portfolio	0.67[4]	0.10	0.10	0.87	N/A
OppenheimerFunds 4-6 Years to College/Balanced Portfolio	0.67[4]	0.10	0.10	0.87	N/A
OppenheimerFunds 1-3 Years to College/Conservative Portfolio	0.66[4]	0.10	0.10	0.86	N/A
OppenheimerFunds In College/Ultra Conservative Portfolio	0.56[4]	0.10	0.10	0.76	N/A
OppenheimerFunds 100% Equity Portfolio	0.66	0.10	0.10	0.86	N/A
OppenheimerFunds Money Market Portfolio	0.43	0.10	0.10	0.63	N/A
Vanguard Total Stock Market Index Portfolio	0.06	0.10	0.10	0.26	N/A
Vanguard Total Bond Market Index Portfolio	0.11	0.10	0.10	0.31	N/A
Vanguard Balanced Index Portfolio	0.11	0.10	0.10	0.31	N/A
Vanguard Total International Stock Index Portfolio	0.32	0.10	0.10	0.52	N/A

1. For Portfolios that invest in more than one Underlying Fund, the Underlying Fund fees and expenses are based on weighted average of each Underlying Fund's expense ratio that corresponds to the Portfolio's target asset allocation; and for Portfolios that invest in one Underlying Fund, the Underlying Fund fees and expenses are based on the most recent fiscal year reported upon in the applicable mutual fund's most recent prospectus as of March 16, 2007. Underlying Fund expenses include a mutual fund's investment advisory fees, which are paid to OppenheimerFunds and certain unaffiliated advisors, administrative and other expenses.
2. Total Plan Fees are subject to change at any time, and are assessed against assets over the course of the year and does not include the annual account maintenance fee of $20 per Vanguard Portfolio payable by non-Oregon residents. See "Investment Cost Chart" on the following page for the approximate cost of investing in each of the Plan's Portfolios over the 1-, 3-, 5- and 10-year periods.
3. Non-Oregon residents pay an annual account maintenance fee of $20 per Vanguard Portfolio held in their Account(s).
4. The manager of Oppenheimer Core Bond Fund and Oppenheimer Limited-Term Government Fund has voluntarily undertaken to limit the Total Annual Operating Expenses for the Fund's Class Y shares to 0.65% and 0.44%, respectively. The manager may terminate this voluntary expense limitation arrangement at any time without prior notice. After the waiver of this voluntary expense limitation arrangement the Aggressive Portfolio, Moderate Portfolio, Balanced Portfolio, Conservative Portfolio, and the Ultra Conservative Portfolio's "Weighted Average Expense Ratio" and "Total Annual Asset Based Plan Fees" would be Aggressive Portfolio 0.65% and 0.85%, Moderate Portfolio 0.62% and 0.82%, Balanced Portfolio 0.60% and 0.80%, Conservative Portfolio 0.55% and 0.75%, Ultra Conservative 0.48% and 0.68%. As of the date of this Plan Description. Underlying Fund expenses include a mutual fund's investment advisory fees, which are paid to OppenheimerFunds and certain unaffiliated advisors, administrative and other expenses.

Other Fees and Charges

Other fees that the Program Manager may charge to your Account include, but are not limited to wire transfer fees and overnight delivery fees. These fees may be waived by the Program Manager. For information regarding current fees, please contact the Program Manager at **1.866.772.8464.**

INVESTMENT COST CHART

The following table compares the approximate cost of investing in the Plan over different periods of time. Your actual cost may be higher or lower based on assumptions that are different than the following assumptions. To illustrate your estimated cost, we have charted the returns for an Account Owner investing in each Portfolio, using the following assumptions:

- A $10,000 investment invested for the time periods shown
- A 5% annually compounded rate of return on the amount invested throughout the time periods shown
- All Units are redeemed at the end of the period shown for Qualified Higher Education Expenses (the table does not consider the impact of any potential state or federal taxes on the redemption)
- Total Annual Asset-based Plan fees (including the weighted average expense ratio of the Underlying Funds) remain the same as those shown above
- Does not include the annual Account maintenance fee of $20 per Vanguard Portfolio payable by non-Oregon residents

Approximate Cost of a $10,000 Investment in each Portfolio:

	1-Year	3-Year	5-Year	10-Year
OppenheimerFunds 10+ Years to College/Aggressive Portfolio	$89	$278	$485	$1,085
OppenheimerFunds 7-9 Years to College/Moderate Portfolio	89	278	485	1,085
OppenheimerFunds 4-6 Years to College/Balanced Portfolio	89	278	485	1,085
OppenheimerFunds 1-3 Years to College/Conservative Portfolio	88	275	479	1,073
OppenheimerFunds In College/Ultra Conservative Portfolio	78	244	425	953
OppenheimerFunds 100% Equity Portfolio	88	275	479	1,073
OppenheimerFunds Money Market Portfolio	64	202	353	796
Vanguard Total Stock Market Index Portfolio	27	84	147	335
Vanguard Total Bond Market Index Portfolio	32	100	175	398
Vanguard Balanced Index Portfolio	32	100	175	398
Vanguard Total International Stock Index Portfolio	52	164	287	648

CHANGING THE DESIGNATED BENEFICIARY

Section 529 of the Code generally allows for changes of the Designated Beneficiary without federal income tax consequences, as long as the new Designated Beneficiary is a Member of the Family of the current Designated Beneficiary. In addition, the proposed regulations provide that no federal gift tax or generation-skipping transfer tax will result provided the new Designated Beneficiary is also assigned to the same or higher generation as the current Designated Beneficiary. If the new beneficiary is assigned to a lower generation than the old beneficiary, the change may be treated as a gift from the old beneficiary to the new beneficiary. If the new beneficiary is assigned to a generation which is two or more levels lower than the old beneficiary, the change may be subject to generation-skipping transfer tax. Any change of the Designated Beneficiary to a person who is not a Member of the Family of the current Designated Beneficiary is treated as a Nonqualified Withdrawal subject to applicable federal and state income taxes as well as the additional 10% federal tax (discussed on page 23), and will be treated as a gift from the current Designated Beneficiary for federal gift and generation-skipping transfer tax purposes.

If a change in the Designated Beneficiary would cause a violation of the maximum Account balance limit (discussed on page 10) with respect with the new Designated Beneficiary, the change will not be permitted

To initiate a change of Designated Beneficiary, the Account Owner must complete and subm t an Account Change Form (and any additional required documentation) to the Program Manager or complete the appropriate section online at **www.oregoncollegesavings.com.** The change will be made upon the Program Manager's acceptance of a properly completed form. There is no fee or charge for changing a Designated Beneficiary.

Account Owners who have chosen the Years to College investment approach should note that the Program Manager will change the particular Portfolio the Account is invested in if there is a change in the Designated Beneficiary unless the new Designated Beneficiary is in the same age bracket as the original Designated Beneficiary. This Portfolio change may be made by the Program Manager so that the Portfolio is appropriate for the age of the new Designated Beneficiary.

If a change in the Designated Beneficiary would cause a violation of the maximum Account balance limit (discussed on page 10) with respect with the new Designated Beneficiary, the change will not be permitted.

Member of the Family

For purposes of changing the Designated Beneficiary, the definition of a "Member of the Family" of the Designated Beneficiary is:

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

For purposes of this definition, a legally adopted or a foster child of an individual shall be treated as the child of such individual by blood and a half-brother or half-sister is treated as a brother or sister.

WITHDRAWALS

Account Owners may request withdrawals from their Accounts or terminate their participation in the Plan at any time by notifying the Program Manager, although by federal law the earnings portion of Nonqualified Withdrawals will be subject to an additional 10% federal tax (discussed on page 21), in addition to federal and any applicable state taxes that may otherwise be due. In the event of a withdrawal or termination, the net asset value of the withdrawal is calculated at the next close of business of the NYSE after the Program Manager's receipt of a written request received in good order.

Procedures for Withdrawals

To request a withdrawal from an Account, the Account Owner must complete and submit a Withdrawal Request Form (and any additional required documentation) to the Program Manager, call **1.866.772.8464** or complete the appropriate section online at **www.oregoncollegesavings.com.** Distributions from the Plan will not be processed without valid Social Security numbers or Taxpayer Identification numbers. Upon acceptance of a properly completed Withdrawal Request Form, the Program Manager will generally process the withdrawal within three business days of its acceptance of the request. Payment of the withdrawal proceeds (net of applicable fees) may be made by check, ACH or by wire transfer. The Plan may charge a fee for a federal funds wire redemption.

The Plan permits Account Owners to make systematic withdrawals from their Account(s). An Account Owner must have at least $1,000 invested in the Portfolio from which a systematic withdrawal is to be made at the time of the withdrawal.

A signature guarantee will be required for all withdrawal requests of $100,000 or more. You can obtain a signature guarantee from a bank, securities dealer, securities broker, credit union, savings and loan association, national securities exchange or registered securities association. A notary public seal will not be acceptable.

Qualified Withdrawals

In general, a Qualified Withdrawal is any distribution that is used to pay for the Qualified Higher Education Expenses (defined below) of a Designated Beneficiary. If a Designated Beneficiary or an Account Owner receives a refund from an Eligible Institution of Higher Education, or otherwise, of amounts paid from a Plan Account, any such refund will generally be a Nonqualified Withdrawal unless: (i) it is used for the Designated Beneficiary's Qualified Higher Education Expenses in the same taxable year; (ii) it was refunded due to the Designated Beneficiary's death (if paid to the Designated Beneficiary's estate) or disability, or such Designated Beneficiary's receipt of a qualified scholarship or attendance at a U.S. Military Academy (discussed below); or (iii) the refunded amount is rolled over to another Plan account within 60 days of the withdrawal, or to an account in another Section 529 Plan in accordance with Section 529 of the Code.

To request a Qualified Withdrawal from an Account, the Account Owner must complete and submit a Withdrawal Request Form to the Program Manager, call **1.866.772.8464** or complete the appropriate section online at **www.oregoncollegesavings.com.**

At the Account Owner's request, Qualified Withdrawals may be paid to the Account Owner, the Designated Beneficiary or an Eligible Institution of Higher Education or in other ways as determined by the Board.

Qualified Higher Education Expenses

Qualified Higher Education Expenses currently include tuition, fees, books, supplies and equipment required for the enrollment or attendance of a Designated Beneficiary at an Eligible Institution of Higher Education, as well as expenses for special needs services in the case of a special needs beneficiary who incurs such expenses in connection with enrollment, or attendance at an Eligible Institution of Higher Education. Also included is an amount for room and board incurred by a Designated Beneficiary while attending an Eligible Institution of Higher Education at least half time The limit for annual room and board expenses for on and off campus housing is the allowance included in the "cost of attendance" at the Eligible Institution of Higher Education, or, if greater, the actual amount charged by the Eligible Institution of Higher Education for room and board costs for the applicable period.

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

Eligible Institutions of Higher Education

Generally, Eligible Institutions of Higher Education include accredited post-secondary educational institutions offering credit toward an associate's degree, a bachelor's degree, a graduate level or professional degree, including but not limited to a U.S. Military Academy, or another recognized post-secondary credential, and certain post-secondary vocational and proprietary institutions. Such institutions must be eligible to participate in U.S. Department of Education student financial aid programs. For a complete list, please visit **www.ed.gov** and **www.fafsa.ed.gov/fotw0506/fslookup.htm.**

Education Credits

The use of a Hope Scholarship tax credit or Lifetime Learning tax credit (together, "Education Tax Credits") by an Account Owner or Designated Beneficiary will not affect receipt of benefits from an Account as long as any Qualified Withdrawal from the Account is not used for the same expenses for which the Education Tax Credit was claimed.

Nonqualified Withdrawals

A Nonqualified Withdrawal is any withdrawal from an Account that is not:

- A Qualified Withdrawal
- A withdrawal by reason of the death (if paid to the Designated Beneficiary's estate) or disability (within the meaning of Section 72(m)(7) of the Code) of the Designated Beneficiary of the Account
- A withdrawal by reason of the Designated Beneficiary's receipt of a qualified scholarship (to the extent of the scholarship amount)
- A withdrawal by reason of the Designated Beneficiary's attendance at a U.S. Military Academy
- A withdrawal resulting from the use of Education Tax Credits as allowed under federal income tax law
- A qualifying rollover distribution that is rolled into another state's Section 529 Plan with appropriate documentation, or a qualifying transfer to the credit of another beneficiary within the Network

A transfer to a Designated Beneficiary who is not a "Member of the Family" of the existing Designated Beneficiary will be deemed to be a Nonqualified Withdrawal.

In accordance with Section 529 of the Code, the earnings portion of Nonqualified Withdrawals is treated as income to the recipient and is subject to federal and applicable state income tax as well as an additional 10% federal tax. Although the Program Manager, on behalf of the Board, will report the earnings portion of all distributions as required under federal tax law, it is the responsibility of the Account Owner to determine whether the withdrawal is qualified and to calculate and report any resulting tax liability.

Procedures for Nonqualified Withdrawals

To request a Nonqualified Withdrawal from an Account, the Account Owner must complete and submit a Distribution Request Form (and any additional required documentation) to the Program Manager, call **1.866.772.8464** or complete the appropriate section online at **www.oregoncollegesavings.com.** Upon acceptance of a properly completed Withdrawal Request Form, the Program Manager will process the withdrawal within three business days of its acceptance of the request. Payment of the withdrawal proceeds (net of applicable fees) may be made by check, ACH or by wire transfer. The Plan may charge a fee for a federal funds wire redemption.

Other Withdrawals

Death of Designated Beneficiary

In the event of the death of the Designated Beneficiary, the Account Owner may authorize a change in the Designated Beneficiary for the Account or request a withdrawal of all or a portion of the Account balance. A distribution on account of the death of the Designated Beneficiary if paid to the estate of the Designated Beneficiary will not be subject to the additional 10% federal tax, but earnings will be subject to federal and any applicable state income tax. A withdrawal of amounts in the Account, if not paid to the Designated Beneficiary's estate, may constitute a Nonqualified Withdrawal, subject to applicable federal and state income taxes at the recipient's tax rate and the additional 10% federal tax.

Disability of Designated Beneficiary

If the Designated Beneficiary becomes disabled within the meaning of Section 72(m)(7) of the Code, the Account Owner may authorize a change in the Designated Beneficiary for the Account or request a withdrawal of all or a portion of the Account balance. A distribution on account of the disability of the Designated Beneficiary will not be subject to the additional 10% federal tax, but earnings will be subject to federal and any applicable state income tax at the recipient's tax rate.

Receipt of Scholarship

If the Designated Beneficiary receives a qualified scholarship, Account assets up to the amount of the scholarship may be withdrawn without imposition of the additional 10% federal tax. A qualified, scholarship includes certain educational assistance allowances under federal law as well as certain payments for educational expenses (or attributable to attendance at certain educational institutions) that are exempt from federal income tax. The earnings portion of the withdrawal is subject to federal and any applicable state income tax at the recipient's tax rate.

Appointment at a U.S. Military Academy

If the Designated Beneficiary attends a U.S. Military Academy, the Account Owner may withdraw an amount up to an amount equal to the costs of advanced education (as defined by Section 2005(e)(3) of Title 10 of the United States Code) attributable to the Designated Beneficiary's attendance at the institution without incurring the additional 10% federal tax. The earnings portion of the withdrawal is subject to federal and any applicable state income tax at the recipient's tax rate.

Use of Education Tax Credits

Taxpayers paying Qualified Higher Education Expenses from a Plan Account will not be able to claim Education Tax Credits for the same expenses. Furthermore, expenses used in determining the allowed Education Tax Credits will reduce the amount of a

Designated Beneficiary's Qualified Higher Education Expenses to be paid from an Account as a Qualified Withdrawal and may result in taxable withdrawals. Such withdrawals will not be subject to the additional 10% federal tax.

Rollover Distributions to Another State's Section 529 Plan

An Account Owner may roll over all or part of the balance of an Account to another Section 529 Plan account without adverse tax consequences so long as the amount withdrawn is placed in the other plan account within 60 days of the withdrawal, and the beneficiary of the new account is (1) a "Member of the Family" of the existing Designated Beneficiary of the originating Account or (2) the same Designated Beneficiary as for the original Account provided no other transfers have occurred with respect to the original Designated Beneficiary within the immediately preceding 12-month period.

Transfers to a Network Plan Maintained by the State of Oregon

If any Account Owner wishes to transfer assets from a Plan Account to an account in a Network Plan, the entire balance of the Account, and the entire balance of all other Accounts in the Plan for that Designated Beneficiary opened by that Account Owner or any other Account Owner must be transferred to the Network Plan account(s), unless the Account Owner changes the Designated Beneficiary of the Plan account(s). See "CHANGING THE DESIGNATED BENEFICIARY" on page 19. A transfer between the Plan and a Network Plan is treated as an investment reallocation, which is allowed only once-per-calendar-year, or upon a change in Designated Beneficiary.

Records Retention

You should obtain and retain records, receipts, invoices, or other documentation that is adequate to substantiate: (i) expenses which you claim are Qualified Higher Education Expenses, (ii) the death or qualified disability of the Designated Beneficiary, (iii) the receipt by the beneficiary of a qualified scholarship, (iv) the appointment of the Designated Beneficiary to a U.S. Military Academy, (v) the use of Education Tax Credits and (vi) that you are entitled to favorable state tax treatment.

RESIDUAL ACCOUNT BALANCES

If the Designated Beneficiary graduates from an institution of higher education or chooses not to pursue higher education, and funds remain in the Account, the Account Owner may:

- Request that the remaining funds (including earnings) be paid to the Account Owner or another distributee and treated as a Nonqualified Withdrawal. Earnings will be subject to the additional 10% federal tax and federal and any applicable state income tax
- Authorize a change of Designated Beneficiary for the Account to a Member of the Family of the current Designated Beneficiary (See "CHANGING THE DESIGNATED BENEFICIARY" on page 19 for details.)
- Keep the funds in the Account to pay future Qualified Higher Education Expenses (such as graduate or professional school expenses) of the Designated Beneficiary

ELIGIBILITY FOR FINANCIAL AID

The treatment of Account assets may have a material adverse effect on the Designated Beneficiary's eligibility to receive aid under various financial aid programs because saving for college through the Account is likely to have some effect on a Designated Beneficiary's eligibility. Policies concerning the treatment of Account assets will vary at different institutions and over time. Account Owners and Designated Beneficiaries should check applicable laws, regulations, financial aid programs and institutional requirements concerning the impact of Account assets on particular financial aid programs.

On April 27, 2006, the U.S. Department of Education issued Dear Colleague Letter GEN-06-05, which included guidance on the treatment of Section 529 Programs for purposes of federal financial aid determination after enactment of the Higher Education Act of 2005 (HERA). The Department of Education has confirmed that assets in a Section 529 Program, as well as assets in a Coverdell ESA, are regarded as assets of the owner of the account. If the parent is the Account Owner of an Account, for purposes of determining the expected family contribution, the Account assets will be treated as assets of the parents. If a dependent student is the Account Owner of an Account or the Designated Beneficiary of an Account holding UGMA/UTMA assets, the Account assets will not be considered for purposes of determining the student's expected family contribution.

UGMA/UTMA CUSTODIAL ACCOUNTS

An Account Owner who is the custodian of an account established or being opened under a state's UGMA/UTMA may be able to open a Plan Account in his or her custodial capacity, depending on the laws of that state. These types of Accounts involve additional restrictions that do not apply to other types of Section 529 Plan accounts. A custodian using UGMA/UTMA funds to establish an Account must indicate that the Account is custodial by checking the appropriate box on the enrollment application. None of the Program Parties will be liable for any consequences related to a custodian's improper use, transfer, or characterization of custodial funds. UGMA/UTMA custodians must establish Plan Accounts in their custodial capacity separate from any Accounts they may hold in their individual capacity in order to contribute UGMA/UTMA assets.

In general, UGMA/UTMA custodial Accounts are subject to the following additional requirements and restrictions:

- The UGMA/UTMA custodian will be permitted to make withdrawals only in accordance with the rules applicable to withdrawals under the applicable UGMA/UTMA and the Plan
- The UGMA/UTMA custodian will not be able to change registration of the Account to anyone other than a successor custodian during the term of the custodial account under UGMA/UTMA
- The UGMA/UTMA custodian will not be able to change the Designated Beneficiary
- The UGMA/UTMA custodian must notify the Plan when the custodianship terminates and the Designated Beneficiary is legally entitled to take control of the Account. At that time the Designated Beneficiary will become the Account Owner and will

become subject to the provisions of the Plan applicable to non-UGMA/UTMA Account Owners. Contact the Program Manager for guidance with respect to terminating the custodianship.

Moreover, because only cash may be used to open an Account in the Plan, the liquidation of non-cash assets held by a UGMA/UTMA account would generally be a taxable event, Please consult a tax professional to determine how to transfer an existing UGMA/UTMA account, and what the implications of such a transfer may be for your specific situation.

TAX TREATMENT OF INVESTMENTS AND WITHDRAWALS

The following section is a summary of certain aspects of federal and state income tax and estate and gift taxation of Contributions to and withdrawals from Section 529 Plans. Any tax and legal information in the Plan Description is merely a summary of our understanding and interpretation of some of the current tax rules and guidance and is not exhaustive. Account Owners must consult their tax advisors or legal counsel for advice and information concerning their particular situations. None of the Program Parties or any of their respective representatives may give legal or tax advice.

The tax and legal description contained herein is based on relevant provisions of the Code, regulations proposed under Section 529, IRS notices, IRS rulings, legislative history and interpretations of applicable federal and Oregon law existing on the date of this Plan Description. It is possible that Congress, the Treasury Department, the IRS, or the courts may take action that will affect Section 529 and the proposed regulations thereunder. Because the proposed regulations do not reflect changes made to Section 529 after their promulgation or interpretations of Section 529 reflected in published guidance from the IRS, it is likely that the final regulations, when issued, will differ significantly from the proposed regulations. Account Owners should consult a qualified tax advisor about the applicability of such changes to their Accounts. State legislation may also affect the state tax treatment of the Plan and Account Owners and Designated Beneficiaries.

This summary and all other statements in this Plan Description concerning federal and state tax issues (i) are not offered as individual tax advice to any person (including any Account Owner or Designated Beneficiary), (ii) are provided as general information in connection with the promotion or marketing of the Plan, and (iii) are not provided or intended to be used, and cannot be used by any taxpayer, for the purpose of avoiding U.S. tax penalties.

Federal Taxation of Contributions to and Withdrawals from Section 529 Plans

Contributions to Section 529 Plans are not deductible for federal income tax purposes. However, any earnings on Contributions are generally not subject to federal income tax until assets are withdrawn. Qualified Withdrawals may be made federal income tax free. The earnings portion of Nonqualified Withdrawals from Section 529 Plans will be subject to federal and any applicable state income tax including an additional 10% federal tax.

There are five exceptions to the additional 10% federal tax required under Section 529: (i) withdrawals due to the Designated Beneficiary's death (if paid to the Designated Beneficiary's estate) or disability (as defined in Section 72(m)(7) of the Code), (ii) withdrawals due to a scholarship received by the Designated Beneficiary (to the extent the withdrawal does not exceed the amount of the scholarship), (iii) withdrawals made on Account of the Designated Beneficiary's attendance at a U.S. Military Academy (up to the costs of advanced education as defined by Section 2005(e) of Title 10 of the Code), (iv) withdrawals resulting from the use of Education Tax Credits by the Designated Beneficiary, and (v) qualified rollovers. (See below for details.)

For purposes of calculating the taxable portion of distributions from an Account, all Accounts in the Plan will be aggregated. The calculation is made on the date of distribution.

Rollovers Between Section 529 Plans

An Account Owner may roll over all or part of the balance of an Account to another state's Section 529 Plan that accepts rollovers without subjecting the rollover amount to federal income tax. To do this, the amount withdrawn must be sent directly to the other Section 529 Plan or placed in the other plan within 60 days of the withdrawal. The Account Owner must provide any information or documentation required by the other Section 529 Plan. In general, the amount rolled over must be placed in either an Account for a different Designated Beneficiary who is a Member of the Family of the original Designated Beneficiary or an Account for the same Designated Beneficiary if no other rollover transfers have occurred with respect to such beneficiary within the past 12 months. Moving Account balances among the Plan and other Network Plans constitutes the Account Owner's once-per-calendar-year reallocation of prior Contributions; it is not treated as a rollover among Section 529 Plans.

Coverdell ESAs

Amounts contributed to a Section 529 Plan Account from a Coverdell ESA will be considered a qualified distribution from such Coverdell ESA and will not be subject to federal income tax or penalty. An individual may make Contributions to and withdrawals from both a Section 529 Plan and a Coverdell ESA in the same year without penalty. However, withdrawals from a Section 529 Plan and a Coverdell ESA in the same year must be used for different expenses in order to be treated as Qualified Withdrawals. To the extent that total withdrawals from a Section 529 Plan and a Coverdell ESA exceed the amount of Qualified Higher Education Expenses under Section 529 of the Code, the recipient must allocate the expenses between the two Accounts in order to determine what portion of each withdrawal is tax free.

Qualified Savings Bonds

Interest on Series EE Bonds issued after December 31, 1989, as well as interest on all Series I Bonds, may be completely or partially excluded from federal income tax if bond proceeds are used to pay certain Qualified Higher Education Expenses at an Eligible Institution of Higher Education or are contributed to a

Section 529 Plan Account or a Coverdell ESA in the same calendar year the bonds are redeemed. For this purpose, qualifying expenses do not include the cost of books, room and board. The amount of Qualified Higher Education Expenses taken into account in calculating the interest excludable from income is reduced by any scholarships, fellowships, employer-provided educational assistance and other forms of tuition reduction including a payment or reimbursement of Qualified Higher Education Expenses under a Section 529 Plan. Certain income limitations apply. Provide appropriate documentation showing the value of the bonds at maturity and earnings. If appropriate documentation is not received, all assets will be treated as earnings in the receiving account for tax purposes.

Tuition Deduction

In 2007, certain taxpayers may be eligible to deduct $4,000 of qualified tuition and related expenses paid during a taxable year for federal income tax purposes in addition to receiving Qualified Withdrawals from a Section 529 Plan or Coverdell ESA, provided that the deduction and the income exclusion for Qualified Withdrawals are not claimed for the same expenses. You should consult a tax advisor regarding the availability of this deduction.

Hope Scholarship and Lifetime Learning Tax Credits

The use of Education Tax Credits will not affect participation in or receipt of benefits from Section 529 Plans, so long as the distribution from the Section 529 Plan is not used for the same expenses for which an Education Tax Credit was claimed.

Coordination of Benefits

As described above, a number of education tax benefits are available in addition to participation in Section 529 Plans. The tax laws provide a number of special rules intended to coordinate these plans and avoid duplication of benefits. Any contributor who intends to utilize more than one of these tax benefits should consult his or her tax advisor or legal counsel for advice on how these special rules may apply to his or her situation.

Federal Gift and Estate Taxes

Contributions (including certain rollover contributions but not including contributions of funds already held in a UGMA/UTMA account or from certain trusts) to a Section 529 Plan are completed gifts to the Designated Beneficiary but qualify for the $12,000 annual gift and generation-skipping transfer tax exclusions. Except in the situations described in the following paragraphs, if the Account Owner were to die while assets remain in a Section 529 Plan Account, the value of the Account would not be included in the Account Owner's estate. In cases where Contributions to a Section 529 Plan exceed $12,000 annually, the contributor may elect to prorate the contribution against the annual exclusion equally over a five-year period. For example, a contributor who makes a $60,000 Contribution in one year, and makes no other gifts to the Designated Beneficiary during the rest of the year or the next four years, would not incur a federal gift or generation-skipping transfer tax This option is applicable only for Contributions up to $60,000 (or $120,000 for spouses electing to split gifts). Any excess during such five-year period will be treated as a gift in the calendar year of the Contribution. To effect the five-year lump sum contribution, the contributor should file an IRS Form 709.

If the contributor dies before the end of the five-year period, the portion of the Contribution allocable to the years remaining in the five-year period (beginning with the year after the contributor's death) would be included in the contributor's estate for federal estate tax purposes.

If the Designated Beneficiary for a Section 529 Plan Account is changed or amounts in an Account are rolled over, resulting in a new Designated Beneficiary who is in the same or higher generation as and is a "Member of the Family" of the current Designated Beneficiary, there are no gift or generation-skipping transfer tax consequences. If the new Designated Beneficiary is of a younger generation than the current Designated Beneficiary (even if the new Designated Beneficiary is a "Member of the Family" of the current Designated Beneficiary), the change of beneficiary is treated as a gift from the current Designated Beneficiary to the new Designated Beneficiary for federal gift and generation-skipping transfer tax purposes. The current Designated Beneficiary could apply his or her gift and generation-skipping transfer tax annual exclusion to any such deemed transfer, and could even make the five-year averaging election discussed above. If the Designated Beneficiary dies, the proposed regulations provide that the Designated Beneficiary's interest in the Account is included in the Designated Beneficiary's gross estate.

Taxation by Oregon

Oregon law provides residents a tax benefit on Contributions made to the Plan. Up to $2,000 in Contributions per year may be subtracted in determining Oregon state taxable income (or up to $1,000 in the case of a married taxpayer filing separately) before the state income tax is calculated In order to qualify for the deduction. Contributions must be made by the 15th day of the fourth month following the end of the taxpayer's tax year or the date the taxpayer files his or her income tax return with respect to the year in which the Contribution was made (whichever is earlier). The deduction may be claimed only once per tax filing regardless of the number of Accounts or the number of Designated Beneficiaries. Amounts which are not subtracted in a given year because of the dollar limits imposed on the deduction may be carried forward for up to four succeeding tax years, and used, subject to the same dollar limits, in any of such years. Oregon law provides a four-year carry forward state tax deduction capped at $8,000 (or $4,000 for a married taxpayer filing separately). For example, if a taxpayer (married and filing jointly) contributes $10,000 in year one, the taxpayer may take a $2,000 state tax deduction in that year and in each of the following four years.

Oregon does not impose a gift or estate tax. Oregon does impose an inheritance tax equal to the amount of the state death tax credit allowable against the federal estate tax under the Code as in effect on December 31, 2000. Similar to federal law, if Contributions to an Account are limited to the annual federal gift tax exclusion amount (currently, $12,000 or $24,000 for spouses electing to split gifts), then the value of the Account is not includible for Oregon inheritance tax purposes. If, however, a contributor contributes in excess of the federal gift tax exclusion amount and elects to prorate the contribution equally over a five-year period and the contributor dies prior to the expiration of the five-year period, then a portion of the remaining balance in the Account of an Oregon resident may be includible in the contributor's gross estate for Oregon inheritance tax purposes upon the death of the contributor.

Contributions to the Plan grow state-tax-deferred until assets are withdrawn. Qualified Withdrawals are exempt from the state income tax. The earnings portion of a Nonqualified Withdrawal is considered to be income to the distributee for Oregon state income tax purposes. Amounts in a Nonqualified Withdrawal which are attributable to Contributions previously subtracted in determining Oregon state taxable income will be added back in determining Oregon state taxable income in the year of withdrawal.

Oregon residents should consult with a qualified tax advisor regarding the application of Oregon and federal tax rules to their particular circumstances.

Taxation by Other States

If you are not a resident of the state of Oregon, the state income tax treatment of Contributions to and earnings and distributions from your Plan Account will depend on the laws of your particular state. Consider before investing whether your or the beneficiary's home state offers a Section 529 Plan that provides its taxpayers with favorable state tax or other benefits that may only be available through investment in the home state's Section 529 Plan, and which are not available through investment in the Plan. For example, a number of states offer income tax deductions for contributions to their own state's Section 529 Plan, which deductions may not be available for Contributions to this Plan. Since different states have different tax provisions, this Plan Description contains limited information about the state tax consequences of investing in the Plan. Therefore, please consult your financial, tax, or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You also may wish to contact your home state's Section 529 Plan(s), or any other Section 529 Plan, to learn more about those plans' features, benefits and limitations. Keep in mind that state-based benefits should be one of many appropriately weighted factors to be considered when making an investment decision.

PLAN AND PORTFOLIO RISKS

Prospective Account Owners should carefully consider the information in this section, as well as the information in the rest of this Plan Description and the accompanying Plan materials, before making any decisions to establish an Account or make Contributions. This Plan Description should not be construed to be legal, financial or tax advice. Prospective Account Owners should consult an attorney or financial or tax advisor with any legal, business, or tax questions they may have.

The Plan is an investment vehicle. Accounts in the Plan are subject to certain risks. In addition, certain investment approaches carry more or different risks than others. Account Owners should weigh such risks with the understanding that they could arise at any time during the life of an Account.

Plan Risks

No Guarantee of Income or Principal; No Insurance. Investments are subject to standard investment risks, including (but not limited to) market and interest rate risk, and you could lose money by investing in the Plan. The value of an Account may increase or decrease over time based on the performance of the Portfolio(s). This may result in the value of the Account being more or less than the amounts contributed. None of the Program Parties or any of their affiliates makes any guarantee of, nor has any legal obligations to ensure, the ultimate payout of any amount, including a return of Contributions made to an Account. There is no guarantee that the future Account value will be sufficient to cover Qualified Higher Education Expenses at the time of withdrawal. In addition, no level of investment return is guaranteed by any of the Program Parties. Under State law, neither the Network, the Board, any member of the Board or the State of Oregon insures any Account or guarantees any rate of return or any interest rate on any Contribution, and neither the Network, the Board, any member of the Board or the State of Oregon is liable for any loss incurred by any person as a result of participating in the Network.

Limited Liquidity. The circumstances under which Account assets may be withdrawn without a penalty or adverse tax consequences are limited. This reduces the liquidity of an investment in the Account.

Limited Investment Direction. In general, an Account Owner or contributor may not direct the investment of an Account. However, once an investment selection has been made at the time an Account is established, an Account Owner may only change how previous Contributions (and any earnings thereon) have been allocated among the available investment approaches for all Accounts for the same Designated Beneficiary once per calendar year or upon a change of the Designated Beneficiary. The ongoing management of Portfolio assets is the responsibility of the Board. A Portfolio's assets are invested in accordance with an investment policy that is established by the Board, which may change the investment policy for the Plan at any time.

Potential Plan Adjustments. The Board may, during the life of the Plan, make enhancements to the Plan, such as additional investment approaches. There are no current limits on the duration of the Plan. Account Owners who have established Accounts prior to the time an enhancement is made available may be required by the Board to participate in such changes, or, conversely, may be limited in their ability to participate in such enhancements under federal tax law unless they open a new Account. OppenheimerFunds may not continue as Program Manager and Vanguard or OppenheimerFunds may not continue as an Investment Manager for the entire period an Account is open. OppenheimerFunds' term under its contract with the Board extends to December 31, 2009, subject to earlier termination in certain circumstances. Vanguard's term under its subcontract with OppenheimerFunds extends to December 31, 2009, subject to earlier termination in certain circumstances. The Board may, at its sole discretion, hire new or additional program managers or investment managers in the future to manage all or part of the Plan's assets. The Portfolios and the Underlying Funds may be changed at any time. The Plan may offer different investment approaches under a successor Program Manager, and investment results achieved by a successor Program Manager may be different than those achieved by OppenheimerFunds and Vanguard. There is no assurance that the Plan fees and charges or the other terms and conditions of the Participation Agreement will continue without material change.

Status of Federal and State Law and Regulations Governing the Plan. Federal and Oregon law and regulations governing the administration of Section 529 Plans could change in the future. In addition, state and federal laws regarding the funding of Qualified Higher Education Expenses, treatment of financial aid, and tax matters are subject to frequent change. It is unknown what effect these kinds of changes could have on an Account. Because the regulations proposed under Section 529 of the Code do not reflect changes to Section 529 after their promulgation, it is likely that the final regulations, when issued, will differ significantly from the proposed regulations.

The Pension Protection Act of 2006, signed into law on August 17, 2006, made permanent certain tax advantages and other related rules for 529 Plans that had been scheduled to expire (or "sunset") after 2010. Among the most notable tax advantages that are now permanent is that the earnings portion of a qualified withdrawal is exempt from federal taxes.

Unless Congress enacts legislation, after December 31, 2010, a 6% excise tax would apply to contributions made to a Coverdell ESA in the same year as a Contribution to the Plan for the same Designated Beneficiary.

Suitability. None of the Program Parties makes any representation regarding the suitability or appropriateness of any investment approach within the Plan. Other types of investments may be more appropriate depending upon the financial status, tax situation, risk tolerance, age, investment goals, savings needs and investment time horizons of the Account Owner or the Designated Beneficiary. Anyone considering investing in the Plan should consult a tax or investment advisor to seek advice concerning the appropriateness of this investment.

No Guarantee of Performance. The Plan and its Portfolios commenced operations on August 30, 2004. Performance information for the Portfolio should not be viewed as a prediction of future performance of any Portfolio. The investment results of any Portfolio for any period cannot be expected to be similar to its investment performance for any prior period. In addition, in view of the anticipated periodic determinations of such investment allocations and selection of Underlying Funds for each Portfolio, the future investment results of any Portfolio cannot be expected, for any period, to be similar to the past performance of any other Portfolios or Underlying Funds. Portfolio performance information will be made available on the Plan's website at **www.oregoncollegesavings.com.** Past performance information for Portfolios (when available) and Underlying Funds are not indicative of the future performance of any particular Portfolio.

Treatment for Federal and State Financial Aid Purposes. On April 27, 2006, the U.S. Department of Education issued Dear Colleague Letter GEN-06-05, which included guidance on the treatment of Section 529 Programs for purposes of federal financial aid determination after enactment of the Higher Education Act of 2005 (HERA). The Department of Education has confirmed that assets in a Section 529 Program, as well as assets in a Coverdell ESA, are regarded as assets of the owner of the Account. If the parent is the Account Owner of an Account, for purposes of determining the expected family contribution the Account assets will be treated as assets of the parents. If a dependent student is the Account Owner of an Account or the Designated Beneficiary of an Account holding UGMA/UTMA assets, the Account assets will not be considered for purposes of determining the student's expected family contribution.

Inflation and Qualified Higher Education Expenses. Contributions to an Account are limited and the balance in an Account(s) maintained for a Designated Beneficiary may or may not be adequate to cover the Qualified Higher Education Expenses of that Designated Beneficiary even if Contributions are made in the maximum allowable amount. The rate of future inflation in Qualified Higher Education Expenses is uncertain and could exceed the rate of investment return earned by any or all of the Plan's investment approaches over the corresponding periods.

No Guarantee of Admission. There is no guarantee that a Designated Beneficiary will (a) be admitted to any institution of higher education; (b) be permitted to continue to attend such institution; (c) graduate or receive a degree from an institution of higher education; (d) be treated as a state resident of any state for tuition or any other purpose; or (e) receive any particular treatment under applicable federal or state financial aid programs.

Alternative Education Savings and Investments. Other Section 529 Plans, including other Network Plans, and education savings and investment programs are currently available to prospective Account Owners. These alternative education savings and investment programs may (a) offer benefits, including state tax benefits, that are not available under the Plan, (b) offer different investment approaches than the Plan, and (c) involve different tax consequences, fees, expenses and other features than the Plan. Prospective Account Owners should consider other savings and investment alternatives before establishing an Account in the Plan. Prospective Account Owners who are not Oregon residents may want to consider a Section 529 Plan established and maintained by their own state.

Portfolio Risks

Accounts are subject to a variety of investment risks that will vary depending upon the selected Portfolio and the Underlying Funds of that Portfolio. The following is a summary of these risks for specific categories of the Underlying Funds, as well as the general risks to which Underlying Funds may be subject. This information is only a summary; please refer to each Underlying Fund's prospectus and statement of additional information for more complete information. See "ADDITIONAL INFORMATION—Underlying Funds."

Investment Risks of the Underlying Funds

The risks of investing in the Plan also include the risks of investing in the Underlying Funds. Please see Appendix B to determine which risks are applicable to each of the Underlying Funds.

Risks of Investing in Oppenheimer Underlying Funds

Market Risk. The risk that the value of the securities in which a Portfolio and an Underlying Fund invests may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be temporary or last for extended periods. Diversifying across the various asset classes may mitigate the impact, whether positive or negative, of changes in economic conditions or fundamentals in any one asset class.

Terrorist attacks in the United States, and the continued threat thereof, and related events, including U.S military actions in Iraq and continued unrest in the Middle East, have led to increased short-term market volatility and may have long-term effects on U.S. and world economies and markets. The Plan does not know the extent to which and how long the securities markets may be affected by such events and cannot predict the effects of such events on the economies of the U.S. or of other countries, or on Portfolio investments.

Management Risk. The risk that the asset allocation strategy approved by the Board or that a particular strategy used by a mutual fund advisor may fail to produce the intended results.

Liquidity Risk. The risk that an Underlying Fund will not be able to pay redemption proceeds to a Portfolio within the time period stated in the Underlying Fund's prospectus because of unusual market conditions, an unusually high volume of redemption requests, or other reasons. Such delay could result in a Portfolio being unable to make payments within the time period stated herein. Portfolios that invest in mutual funds investing in non-investment-grade fixed income securities, small capitalization stocks, REITs and emerging country issuers will be especially subject to the risk that during certain periods the liquidity of particular issuers or industries, or all securities within these investment categories, will shrink or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse investor perceptions, regardless of whether or not accurate.

Credit Risk. The risk that the issuer of a debt security might not make interest and principal payments on the security as they become due. If the issuer fails to pay interest, the income of an Underlying Fund investing in such debt security might be reduced, and if the issuer fails to repay principal, the value of that security and of the Underlying Funds shares might be reduced. Debt securities and preferred stocks issued by domestic and foreign corporations are subject to risks of default. A downgrade in an issuer's credit rating or other adverse news about an issuer can reduce the market value of that issuer's securities.

Industry Concentration Risk. The risk that an Underlying Fund concentrates its investments in specific industry sectors that have historically experienced substantial price volatility. Such a concentrated fund is subject to greater risk of loss as a result of adverse economic, business or other developments than a fund that diversifies its investments across different industry sectors. Securities held by such funds may lack sufficient market liquidity to enable a fund to sell the securities at an advantageous time or without a substantial drop in price.

Interest Rate Risk. The risk that when interest rates increase, securities held by an Underlying Fund will decline in value. Long-term fixed income securities will normally have more price volatility than short-term securities because of this risk.

Fixed Income Securities Risk. Prices of fixed income securities rise and fall in response to interest rate changes. Generally, when interest rates rise, prices of fixed income securities fall. Generally, the longer the duration of a fixed income security, the more sensitive the security is to this risk. For example, a 1% increase in interest rates would reduce the value of a $100 note by approximately $1 if it had a one-year duration, but would reduce its value by approximately $15 if it had a 15-year duration. There is also a risk that one or more of the fixed income securities included in an Underlying Fund will be downgraded in credit rating or go into default. Lower rated bonds generally have higher credit risks than higher rated bonds. These securities are also subject to credit/default risk, which is the risk that an issuer of fixed income securities (which may have low credit ratings) held by an Underlying Fund may default on its obligation to pay interest and repay principal.

Equity Securities Risk. The value of equity securities will rise and fall in response to the activities of the company that issued the stock, general market conditions, and/or economic conditions.

Risks of Growth Investing. Stocks of growth companies, particularly newer companies, may offer opportunities for greater capital appreciation but may be more volatile than stocks of larger, more established companies. If the company's earnings growth or stock price fails to increase as expected, the stock price of a growth company may decline sharply.

Risks of Value Investing. Value investing seeks stocks having prices that are low in relation to what is believed to be their real worth or prospects. An Underlying Fund that uses a value investing style seeks to realize appreciation in the value of its holdings when other investors realize the intrinsic value of those stocks. In using a value investing style, there is the r sk that the market will not recognize that the securities are undervalued and they might not appreciate in value as the fund anticipates.

Risks of Securities of Small-capitalization Companies. Investments in smaller companies may involve greater risks because these companies often have narrower markets and more limited managerial and financial resources than larger, more established companies. As a result, their performance can be more volatile, which could increase the volatility of the Underlying Fund's portfolio, and therefore the volatility of the Portfolio.

Risks of Securities of Large-capitalization Companies. An Underlying Fund's emphasis on large-cap stocks makes it susceptible to the business risks of larger companies, which usually cannot change as quickly as smaller companies in response to competitive challenges. Larger companies also tend not to be able to maintain the high growth rates of well-managed smaller companies, especially during strong economic periods.

Non-investment Grade Fixed Income Securities Risk. Although lower rated debt securities generally offer a higher yield than higher rated debt securities, they involve higher risks. They are especially subject to: adverse changes in general economic conditions and in the industries in which their issuers are engaged, changes in the financial condition of their issuers, and price fluctuations in response to changes in interest rates. As a result, issuers of lower rated debt securities are more likely than issuers of higher rated debt securities to miss principal and interest payments or to default.

Asset-backed Securities Risk. Asset-backed securities are often subject to more rapid repayment than their stated maturity date would indicate as a result of the pass-through of prepayments of principal on the underlying loans. Asset-backed securities present certain additional risks because asset-backed securities generally do not have the benefit of a security interest in collateral that is comparable to mortgage assets.

Derivatives Risk. There are certain investment risks in using derivatives such as futures contracts, options on futures, interest rate swaps and structured notes, as a hedging technique. If an Underlying Fund incorrectly forecasts interest rates in using derivatives, the Underlying Fund and any Portfolio invested in it could lose money. Price movements of a futures contract, option or structured notes may not be identical to price movements of portfolio securities or a securities index, resulting in the risk that, when an Underlying Fund buys a futures contract or option as a hedge, the hedge may not be completely effective. The use of these management techniques also involves the risk of loss if the advisor to an Underlying Fund is incorrect in its expectation of fluctuations in securities prices, interest rates or currency prices.

International Securities Risk. The return and net asset value of a Portfolio that invests in Underlying Funds investing in international securities may be significantly affected by political or economic conditions and regulatory requirements in a particular country. Foreign markets, economies and political systems may be less stable than U.S. markets, and changes in exchange rates of foreign currencies can affect the value of an Underlying Fund's foreign assets. Foreign laws and accounting standards typically are not as strict as they are in the U.S. and there may be less public information available about foreign companies.

Non-U.S. Debt Securities Risk. These securities are particularly subject to a risk of default from political instability and fluctuations in exchange rates.

Special Risks of Emerging Markets. Securities of issuers in emerging and developing markets may offer special investment opportunities, but present risks not found in more mature markets. Those securities may be more difficult to sell at an acceptable price and their prices may be more volatile than securities of issuers in more developed markets. Settlements of trades may be subject to greater delays so that an Underlying Fund might not receive the proceeds of a sale of a security on a timely basis. These investments may be very speculative. These countries might have less developed trading markets and exchanges, Emerging market countries may have less developed legal and accounting systems and investments may be subject to greater risks of government restrictions on withdrawing the sale proceeds of securities from the country. Economics of developing countries may be more dependent on relatively few industries that may be highly vulnerable to local and global changes. Governments may be more unstable and present greater risks of nationalization or restrictions on foreign ownership of stocks of local companies.

Risks of Instruments of U.S. and Foreign Banks and Branches of Foreign Corporations, Including Yankee Bonds. Non-U.S. corporations and banks issuing dollar-denominated instruments in the U.S. are not necessarily subject to the same regulatory requirements that apply to U.S. corporations and banks, such as accounting, auditing and recordkeeping standards, the public availability of information and, for banks, reserve requirements, loan limitations and examinations. This increases the possibility that a non-U.S. corporation or bank may become insolvent or otherwise unable to fulfill its obligations on these instruments.

Foreign Currency and Exchange Rate Risk. An Underlying Fund, and the Portfolio invested in it, may be affected either favorably or unfavorably by fluctuations in the relative rates of exchange between the currencies of different nations, exchange control regulations and indigenous economic and political developments, An Underlying Fund attempts to buy and sell foreign currencies on favorable terms. A price spread on currency exchange (to cover service charges) may be incurred particularly when an Underlying Fund changes investments from one country to another or when proceeds from the sale of shares in U.S. dollars are used for the purchase of securities in foreign countries. Also, some countries may adopt policies which would prevent an Underlying Fund from repatriating invested capital and dividends, withhold portions of interest and dividends at the source, or impose other taxes, with respect to an Underlying Fund's investments in securities of issuers of that country. Because an Underlying Fund's securities may be denominated in foreign currencies, the value of such securities to an Underlying Fund (and of the Underlying Fund to the Portfolio) will be affected by changes in currency exchange rates and in exchange control regulations. A change in the value of a foreign currency against the U.S. dollar will result in a corresponding change in the U.S. dollar value of an Underlying Fund's securities. In addition, some emerging market countries may have fixed or managed currencies which are not free-floating against the U.S. dollar. Further, certain emerging market currencies may not be internationally traded. Certain of these currencies have experienced a steady devaluation relative to the U.S. dollar. Many emerging market countries have experienced substantial and, in some periods, extremely high rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries.

Mortgage-Backed Securities Risk

- Prepayment Risk—The investment characteristics of adjustable and fixed rate mortgage-backed securities differ from those of traditional fixed income securities. The major differences include the payment of interest and principal on mortgage-backed securities on a more frequent (usually monthly) schedule, and the possibility that principal may be prepaid at any time due to repayments on the underlying mortgage loans or other assets. These differences can result in significantly greater price and yield volatility than is the case with traditional fixed income securities. As a result, if a fund purchases mortgage-backed securities at a premium, a prepayment rate that is faster than expected will reduce both market value and yield to maturity from those which were anticipated. A prepayment rate that is slower than expected will have the opposite effect of increasing yield to maturity and market value. Conversely, if a fund purchased mortgage-backed securities at a discount, faster than expected prepayments will increase yield to maturity and market values, while slower than expected prepayments will reduce yield to maturity and market values
- Call Risk—The risk that an issuer will exercise its right to pay principal on an obligation (such as a mortgage-backed security) held by an Underlying Fund earlier than expected. This may happen when there is a decline in interest rates. Under these circumstances, a fund may be unable to recoup all of its initial investment and will also suffer from having to reinvest in lower yielding securities
- Extension Risk—The risk that an issuer will exercise its right to pay principal on an obligation (such as a mortgage-backed security) held by an Underlying Fund later than expected. This may happen when there is a rise in interest rates. Under these circumstances, the value of the obligation will decrease and an Underlying Fund (and any Portfolio invested in that Underlying Fund) will also suffer from the inability to invest in higher yielding securities

Risks of Investing in Vanguard® Underlying Funds

Call/Prepayment Risk. The risk that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates before their maturity dates. The Vanguard Underlying Fund would lose potential price appreciation and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Underlying Funds income. For mortgage-backed securities, this risk is known as prepayment risk.

Credit Risk. The risk that an issuer of a bond owned indirectly by an Underlying Fund will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause bond prices to decline.

Derivatives Risk. Each of the Underlying Funds in which the Portfolios invest, may invest to a limited extent, in futures and options contracts, swap agreements, and other types of derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock or bond or currency), a physical asset (such as gold), or a market index (such as the S&P 500 Index). Investments in derivatives may subject the Underlying Funds to risks different from, and possibly greater than, those of the underlying securities, assets, or market indexes The Underlying Funds will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns.

Foreign Securities Risk. Vanguard Underlying Funds that invest in foreign securities are subject to country risk, which is the chance that domestic events, such as political upheaval, financial troubles, or natural disasters, will weaken a country's securities markets. They are also subject to currency risk, which is the chance that the value of a foreign investment measured in U.S. dollars will decrease because of unfavorable changes in currency exchange rates. In addition, investments in foreign stock markets can be riskier than U.S. stock investments. The prices of foreign stocks and the prices of U.S. stocks have, at times, moved in opposite directions.

Income Risk. The risk that falling interest rates will cause a Vanguard Underlying Fund's income to decline. Income risk is generally higher for short-term bond funds and lower for long-term bond funds.

Index Sampling Risk. The risk that the securities selected for the Vanguard Underlying Fund that uses the sampling method of indexing, in the aggregate, will not provide investment performance matching that of the Fund's target index.

Interest Rate Risk. The risk that bond prices overall will decline because of rising interest rates. Interest rate risk is higher for long-term bond funds and lower for short-term bond funds.

Stock Market Risk. The risk that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

ADDITIONAL INFORMATION

The Board

The Board is responsible for implementing and administering the Plan. The Board consists of (1) the State Treasurer who serves as the chair, (2) a member of the State Board of Higher Education who is selected by the State Board of Higher Education, (3) a representative of the accredited private colleges and universities in Oregon who is appointed by the State Treasurer and (4) two public members who are appointed by the State Treasurer. The Board member who is a member of the State Board of Higher Education serves at the pleasure of, and may not serve beyond his or her term on, the State Board of Higher Education. The representative of the Oregon private colleges and universities and the two public members serve at the pleasure of the Treasurer for a term of three years, subject to reappointment. The State Treasurer and Department of Higher Education provide staff and assistance to the Board in the administration of the Network.

The current Board members are:

- Randall Edwards, State Treasurer, Chair of the Board
- Carl Vance, Vice President, Business and Finance/Treasurer, Lewis and Clark College
- Lyn Hennion, Senior Vice President, Strand Atkinson Williams & York, Inc.
- Scott Sandbo, CEO, Pacific Crest Securities
- Vacant

Michael J. Parker is the Executive Director of the Network.

Underlying Funds

The OppenheimerFunds Portfolios invest in the institutional (Y) class shares of the Underlying Funds. Vanguard Total Stock Market Index Portfolio invests in institutional shares of the applicable Vanguard Underlying Fund. Vanguard Total Bond Market Index Portfolio and Vanguard Balanced Index Portfolio invest in Admiral™ shares of the applicable Vanguard Underlying Fund; and Vanguard Total International Stock Index Portfolio invests in retail shares of the Vanguard Underlying Fund In the event the Plan does not meet the requirements for the Admiral share classes, Vanguard reserves the right to convert the Plan's shares into the appropriate class.

Note: The target indexes of the Vanguard Underlying Funds may change. The Vanguard Underlying Funds are index funds. Each Vanguard Underlying Fund reserves the right to substitute a different index for the index it currently seeks to track. This could happen if the current index were discontinued, if the Vanguard Underlying Fund's agreement with the sponsor of its current index were terminated, or for any other reason determined in good faith by the Vanguard Underlying Fund's board of trustees. In any such instance, a substitute index would measure the same general market segment (e.g., large-, mid- or small-cap) as the current index.

For more complete information concerning any Underlying Fund, including management fees and expenses, or for a copy of its current prospectus, statement of additional information or most recent semiannual or annual report, visit OppenheimerFunds' website at **www.oppenheimerfunds.com** or call **1.800.525.7048,** or visit Vanguard's website at **www.vanguard.com** or call **1.866.734.4530.**

Continuing Disclosure

Certain financial information and operating data ("Annual Information") relating to the Plan, and notices of certain enumerated events will be filed by or on behalf of the Plan with each Nationally Recognized Municipal Securities Information Repository (NRMSIR) and with an Oregon information depository, if one then exists, in accordance with a Continuing Disclosure Agreement relative to the Plan, delivered pursuant to Rule 15c2-12 as promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934. Notices of certain enumerated events will be filed by or on behalf of the Plan with each NRMSIR or the Municipal Securities Rulemaking Board and with an Oregon State depository, if one then exists.

The Board intends to prepare financial statements for the Plan on an annual basis, which shall be audited by a nationally recognized firm of independent certified public accountants. The Program Manager will distribute such audited financial statements for the Plan to each Account Owner. The Plan's financial statements are incorporated by reference herein. The Trust may be charged the fees of the independent public accountants for conducting the annual audit.

Securities Laws Applicable to the Trust

Interests in the Trust reflecting an Account Owner's Contributions and earnings, if any, are not registered under the Securities Act of 1933, as amended pursuant to an exemption in Section 3(a)(2) of such Act from registration available for obligations issued by a public instrumentality of a state The Trust is a public instrumentality of the State of Oregon. In addition, Accounts and Participation Agreements are not registered with the securities commissions of any State pursuant to applicable exemptions from registration available for obligations issued by a public instrumentality of a state. Neither the Portfolios nor the Trust has been registered as an investment company under the Investment Company Act of 1940, as amended, pursuant to an exemption in Section 2(b) of such Act from registration available to a public instrumentality of a state. The Program Distributor is a registered broker-dealer, and a member of the NASD, the MSRB and SIPC.

Tax Reporting

The Program Manager, on behalf of the Board, will report withdrawals on IRS Form 1099Q, and other matters if any to the IRS, Account Owners and other persons, if any, to the extent required pursuant to federal, state or local law, regulation or ruling. Under federal law, the Program Manager, on behalf of the Board, will file a separate return with the IRS reporting distributions from an Account to each recipient reflecting, among other information, the earnings portion of Account withdrawals during the calendar year to which the report pertains.

Miscellaneous

Account Owners should keep the most recent version of the Plan Description and all supplements and the Participation Agreement for future reference. These documents provide important information about the Plan, including information about investment objectives, fees, expenses and investment risks.

Contact Information

If you have any questions regarding the Plan or the details contained in this Plan Description, please call the Program Manager at **1.866.772.8464** or visit the Plan's website at **www.oregoncollegesavings.com.**

You may also contact us in writing at:
Oregon College Savings Plan P.O. Box 173776, Denver, CO 80217.

APPENDIX A

OREGON COLLEGE SAVINGS PLAN TRUST PARTICIPATION AGREEMENT

This Participation Agreement is entered into between the person whose name and signature appear on the enrollment application (the "Account Owner") and the Oregon 529 College Savings Board (the "Board", acting as trustees (the "Trustees" of the Oregon College Savings Plan Trust (the "Trust"). The Trust has been created in connection with the Oregon College Savings Plan (the "Plan") within the Oregon 529 College Savings Network. The Plan is established and maintained pursuant to Oregon Revised Statutes Sections 348.841 through 348.873, as amended from time to time (the "Act"), and is intended to qualify for certain federal tax consequences under Section 529 of the Code.

By executing an enrollment application, the Board and the Account Owner agree as follows:

1. General Information. The Board has established the Trust so that persons may make contributions to Accounts established for the purpose of meeting the Qualified Higher Education Expenses of Designated Beneficiaries of the Accounts. Under a Program Management Agreement between the Board, OppenheimerFunds, Inc. ("Program Manager"), and OppenheimerFunds Distributor, Inc. ("Program Distributor"), as amended from time to time, the Board has retained the Program Manager to provide investment management and administrative services to the Plan and has retained the Program Distributor to provide distribution services to the Plan.

2. Establishment of Accounts. The Account Owner requests the Board to establish an Account in the Plan for the sole purpose of funding the Qualified Higher Education Expenses of the beneficiary designated on the enrollment application (state or local governments or tax-exempt organizations described in Section 501(c)(3) of the Code do not need to designate a beneficiary on the enrollment application). The Program Manager will establish the Account, effective on receipt by the Program Manager of the completed enrollment application and the minimum initial contribution required for the Account. The Account will be governed by this Participation Agreement and the Declaration of Trust, and Account assets will be held, subject to the Act and the Code, for the exclusive benefit of the Account Owner and the Designated Beneficiary.

3. Contributions to Accounts.

(a) *Required Minimum Initial Contribution.* The Account Owner will make an initial Contribution of at least $250 to each Account at the time the Account is opened. The $250 minimum initial Contribution may be allocated among as many Portfolios as the Account Owner desires, subject to a $25 per Portfolio minimum. If the Account Owner participates in an automatic investment plan, the minimum initial Contribution is $25 per portfolio.

(b) *Additional Contributions.* The Account Owner may make additional Contributions of $25 or more to any Account at any time, subject to the maximum limits on Contributions described below. Any Contribution to an Account by a contributor who is not the Account Owner becomes the property of the Account Owner.

(c) *Acceptable Contribution Methods.* Contributions to an Account may be made via check, money order, wire transfer, ACH or any other method permitted by the Act and the Code. Rollover contributions to an Account from another qualified tuition plan must be accompanied by the appropriate form and any other required documentation.

(d) *Maximum Permissible Contributions.* The Board from time to time will establish limits on the total Account balances of all Accounts in the Plan for any one Designated Beneficiary, as required by the Code, the Act and applicable rules. Contributions made when those limits have been reached will not be accepted and will be returned to the contributor. Multiple Accounts for the same Designated Beneficiary within the Network will be combined for purposes of determining whether the maximum Account balance has been reached even if those Accounts have different Account Owners.

(e) *Limit on Network Accounts.* If an account is established in one of the Network Plans for a beneficiary, another account cannot be opened for that beneficiary in a different Network Plan, regardless of account ownership. If you enroll in the Plan and there is already an account for your Designated Beneficiary in another Network Plan, you will be contacted by the Program Manager and asked to change your Designated Beneficiary. If you do not wish to change your Designated Beneficiary, the Account will be closed and the funds will be returned to you.

(f) *Right to Refuse Contributions.* A contribution, rollover or transfer may be refused if the Board or the Program Manager reasonably believes that (i) the purpose is for other than funding the Qualified Higher Education Expenses of the Designated Beneficiary of an Account, (ii) there appears to be an abuse of the Plan, or (iii) such transaction is unlawful. The Plan may not be able to determine that a specific contribution, rollover or transfer is for other than funding the Qualified Higher Education Expenses of a Designated Beneficiary, abusive or unlawful. The Plan therefore makes no representation that all such contributions, rollovers or transfers can or will be rejected.

4. Designation of Beneficiary; Change of Beneficiary. The Account Owner will name a Designated Beneficiary for the Account on the enrollment application. The Account Owner may change the Designated Beneficiary of the Account, provided the new beneficiary is a "Member of the Family", within the meaning of the Code, of the current Designated Beneficiary. To change a Designated Beneficiary, the Account Owner must complete and sign an Account Change Form. The change will be effective when the Program Manager has received and processed the Account Change Form. A change of Designated Beneficiary will result in the assignment of a new Account number and may result in the reallocation of the Account's assets to another investment Portfolio.

5. Distributions from Accounts; Termination of Accounts.

(a) *Distributions from Accounts.* Investments in Accounts are voluntary. The Account Owner may direct distributions from an

Account by providing the Program Manager with a Withdrawal Request Form and any additional required documentation, by calling **1.866.772.8464** or by completing the appropriate section online at **www.oregoncollegesavings.com.**

(b) *Additional Tax on Nonqualified Withdrawals.* The Account Owner will be required to pay an additional federal tax of 10% on the earnings portion of all Nonqualified Withdrawals.

(c) *Termination of Accounts.* The Account Owner or the Board may terminate an Account at any time. If the Board or Program Manager finds that the Account Owner or a Designated Beneficiary has provided false or misleading information to the Board or an Eligible Institution of Higher Education with respect to an Account, the Board may terminate the Account and assess a penalty against the Account. The remaining Account balance will be distributed to the Account Owner and the contributions and earnings thereon will be subject to federal and any applicable state income tax including the 10% additional federal tax on Nonqualified Withdrawals.

6. Account Owner's Representations. The Account Owner represents and agrees as follows:

(a) The Account Owner understands that the value of an Account will increase or decrease, based on the investment performance of the Portfolio(s) of the Trust in which Account assets are then invested, that each Portfolio of the Trust will invest in Underlying Funds selected by the Board, that the value of an Account may be more or less than the amount invested in the Account and that all Contributions to an Account are subject to investment risks, including the risk of loss of all or part of the Account Owner's Contribution. Except for the initial placement of the funds within one of the available Portfolios, the Account Owner agrees that all investment decisions for the Trust and each Account will be made by the Trustees, and that the Account Owner will not direct the investment of any funds contributed to the Trust, either directly or indirectly. The Account Owner acknowledges that (i) there is no guarantee of a rate of interest or return on any Account or of the payment of principal, interest, or return on any Account, or (ii) the intended tax advantages for the Account may be affected by future changes in tax laws, regulations, or rules.

(b) The Account Owner understands that (i) the investment approach selected for an Account may not be changed except as permitted by the Code and any applicable regulations thereunder, (ii) the Board and the Program Manager will make all Portfolio investment decisions, (iii) the Account Owner cannot direct the investment of any Contributions to an Account (or the earnings on Contributions), and (iv) each Portfolio will invest in Underlying Funds selected by the Board.

(c) The Account Owner is opening this Account to provide funds for Qualified Higher Education Expenses of the Designated Beneficiary of the Account and understands that participation in the Plan does not guarantee that any Designated Beneficiary will (i) be admitted to any institution of higher education; (ii) be permitted to continue to attend such institution; (iii) graduate or receive a degree from an institution of higher education; (iv) be treated as a state resident of any state for tuition or any other purpose; or (v) receive any particular treatment under applicable federal or state financial aid programs.

(d) The Account Owner will not use an Account as collateral for any loan, and agrees that any attempted use of an Account as collateral for a loan shall be void.

(e) The Account Owner has received and read the Plan Description for the Oregon College Savings Plan and acknowledges and agrees that its terms are incorporated into this Participation Agreement as if they were set forth herein. The Account Owner has not relied on any representations or other information, whether oral or written, other than as set forth in the Plan Description and in this Agreement.

(f) The Plan is established and maintained pursuant to Oregon state law and is intended to qualify for certain federal tax consequences under the Code. Such state laws and the federal tax laws are subject to change, and none of the Trust, the Board, the Program Manager or the Investment Manager for the Plan makes any representations that such state laws or federal tax laws will not be changed or repealed.

(g) The Account Owner understands that: (i) the state(s) where he/she lives or pays taxes may offer a Section 529 Plan, (ii) that Section 529 Plan may offer the Account Owner state income tax or other benefits not available through the Plan, and (iii) he/she may want to consult with a tax advisor regarding the state tax consequences of investing in the Plan.

(h) The Account Owner understands that; (i) each of the Plan's investment approaches may not be suitable and (ii) the Plan may not be suitable for all investors as a means of investing for higher education costs.

(i) The Account Owner understands that (i) any Portfolio may at any time be merged, terminated, reorganized or cease accepting new Contributions, (ii) any such action affecting a Portfolio may result in Contributions being reinvested in a Portfolio different from the Portfolio in which Contributions were originally invested, and (iii) the Board and the Program Manager may at any time terminate or modify the Portfolio fee structures.

(j) The Account Owner understands that although he/she owns interests in a Portfolio, he/she does not have a direct beneficial interest in the mutual funds and other instruments held by that Portfolio and, therefore, does not have the rights of an owner or shareholder of such mutual funds or the other instruments.

(k) If the Account Owner is establishing an Account as a custodian for a minor under UGMA/UTMA, the Account Owner understands and agrees that he/she assumes responsibility for any adverse consequences resulting from the establishment of the Account.

(l) If a legal entity is establishing the Account, the individual executing this Agreement represents that (i) the entity is the Account Owner; (ii) the individual executing this Agreement is duly authorized to act for the entity; (iii) the Plan Description may not discuss tax consequences and other aspects of the Plan of particular relevance to the entity and individuals having an interest therein; and (iv) the entity has consulted with and relied on a professional advisor, as deemed appropriate by the entity, before becoming an Account Owner.

(m) The Account Owner acknowledges that: (i) an investment in the Plan involves certain risks, including, but not limited to, those described in the Plan Description under the heading "PLAN AND PORTFOLIO RISKS"; (ii) such risks have been taken into consideration in making each investment decision; (iii) none of the Program Parties makes any guarantee of, nor has any legal obligations to ensure, the ultimate payout of any amount, including a return of Contributions made to an Account; (iv) there is no guarantee that the future Account value will be sufficient to cover qualified higher education expenses of the Designated Beneficiary at the time of withdrawal; (v) no level of investment return is guaranteed by any of the Program Parties, and (vi) under State law, neither the Network, the Board, any member of the Board or the State of Oregon insures any Account or guarantees any rate of return or any interest rate on any Contribution, and neither the Network, the Board, any member of the Board or the State of Oregon is liable for any loss incurred by any person as a result of participating in the Network.

(n) The Account Owner understands that unless Congress enacts legislation, after December 31, 2010, a 6% excise tax would apply to Contributions made to a Coverdell ESA in the same year as a contribution to the Plan for the same Designated Beneficiary.

(o) The Account Owner understands that the Account Owner will not receive any advice or opinion regarding the suitability of any Portfolio or Trust interests from the Board, Program Manager or Program Distributor or any representative of the Board, Program Manager or Program Distributor.

(p) The Account Owner understands that OppenheimerFunds, Inc. will not necessarily continue as Program Manager for the entire period this Account is open and that the Board may retain in the future different investment manager(s) to manage all or part of the Plan whether or not OppenheimerFunds, Inc. is still the Program Manager. Account Owner acknowledges that there is no assurance that the terms and conditions of the current Participation Agreement would continue without material change, and that there are, accordingly, various potential consequences the Account Owner should take into consideration including changes in the current management fee. (A successor Program Manager may request that a new Participation Agreement be executed.)

7. Fees and Expenses. Certain fees and expenses will be charged against the assets of the Portfolios to pay for the costs of managing and administering the Plan and the Accounts, These fees and expenses may be changed, and new fees or expenses may be added, at any time by the Board.

(a) *Daily Charges and Mutual Fund Fees and Expenses.* Each Portfolio of the Plan will be subject to a daily charge for the Management Fee and Administrative Fee and certain ongoing Portfolio fees, as described in the Plan Description. In addition, each of the Underlying Funds in which Portfolios invest has separate investment management fees and other expenses. Accounts will indirectly bear such fees and expenses.

(b) *Transaction-based Fees.* An Account may be subject to fees for certain transactions, charged in the amounts and as described in the Plan Description.

(c) *Other Fees and Expenses.* Other fees and expenses as directed by the Board and as described in the Plan Description.

8. Necessity of Qualification. The Plan intends to qualify for favorable federal tax treatment under the Code. Because this qualification is vital to the Plan, the Board may amend the Plan and/or this Participation Agreement at any time if the Board decides that a change is needed to meet the requirements of the Code or its applicable regulations. IRS guidance interpreting Section 529 of the Code, Oregon law, or applicable rules promulgated by the Board.

9. Reports. The Program Manager will send the Account Owner, at least quarterly, reports that show the value of each Account and year to date activity in the Account. If the Account Owner does not write to the Program Manager to object to a statement or report within 60 days after it has been sent to the Account Owner, the Account Owner will be considered to have approved it and to have released the Board and the Program Manager from all responsibility for matters covered by the report. If applicable, the Program Manager will provide tax reporting as required under the Act, the Code, and any applicable regulations. The Account Owner will continue to be responsible for filing his or her federal tax return and any other reports required by law.

10. Amendment and Termination. The Board may at any time: (i) amend the Plan or this Participation Agreement by giving written notice to the Account Owner, which amendment shall be effective upon the date specified in the notice; or (ii) terminate the Plan or this Participation Agreement and give the Account Owner written notice of any such termination. No provision of this Participation Agreement can be amended or waived except in writing signed by an authorized representative of the Board. Nothing contained in the Declaration of Trust or this Participation Agreement is an agreement or representation by the Board or any other person that it will continue to maintain the Trust indefinitely.

11. Dispute Resolution. Account Owner agrees (on behalf of them and their Designated Beneficiary) that all controversies which may arise between the Account Owner or their Designated Beneficiary and the Board relating to this Agreement ("Dispute"), and the Dispute cannot be settled through good faith negotiation, then the parties agree first to try in good faith to settle the dispute by using negotiation or mediation in accordance with rules adopted by the Board. Any Dispute not settled by mediation within ninety (90) days, or such longer period as may be mutually agreed on in writing, of the initiation of mediation procedures shall be decided in an administrative proceeding subject to the contested case procedures of the Oregon Administrative Procedures Act. This provision shall not apply to the resolution of any disputes between the Program Manager and other parties.

12. Miscellaneous. The substantive laws of Oregon, without regard to the community property laws or choice of law rules of any state, will govern this Participation Agreement. The enrollment application is incorporated by reference herein and the Account Owner's execution of the enrollment application will constitute execution of this Participation Agreement.

13. Binding Nature. This Participation Agreement shall be binding upon the parties and their respective heirs, successors, beneficiaries and permitted assigns. The Account Owner agrees that all of his or her representations and obligations under this Participation Agreement shall inure to the benefit of the Board and the Program Manager, either of whom can rely upon and enforce the Account Owner's representations and obligations contained in this Participation Agreement.

14. Extraordinary Events. The Board and the Program Manager shall not be liable for losses caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, acts of terrorism, strikes or other conditions beyond their control.

15. Defined Terms. Terms not otherwise defined herein shall have the meaning set forth in the Plan Description.

APPENDIX B

UNDERLYING FUND INVESTMENT OBJECTIVES, STRATEGIES AND RISKS

Below are the investment objectives and primary investment strategies and risks for each Underlying Fund. This information is only a summary; please refer to each Underlying Fund's prospectus and statement of additional information for more complete information. See "ADDITIONAL INFORMATION—Underlying Funds" on page 30. Additionally, please see "PLAN AND PORTFOLIO RISKS—Investment Risks of the Underlying Funds" on page 27 for a more detailed discussion of the risks applicable to each Underlying Fund.

Oppenheimer Global Fund

Investment Objective

Oppenheimer Global Fund seeks capital appreciation. It invests in domestic and international companies, including those companies in emerging markets.

Investment Process

The Fund invests across a broad spectrum of world markets, essentially viewing the world as one stock market. Although country exposure will ebb and flow based on the opportunities the Fund encounters in local markets, Oppenheimer Global Fund is committed to being invested in each of the major markets, as well as holding some portion of its assets in emerging markets.

The cornerstone of the Fund's fundamental approach is a focus on EPS growth and the belief that long-term movements in share prices are driven by growth in EPS. While all analysis does begin with an understanding of a company's historical record, the distinguishing evaluation comes from the Fund's perspective on future earnings growth. In finding successful candidates, the Fund focuses on three key factors:

- Faster than average revenue growth—The Fund seeks companies in industries expected to grow faster than nominal GDP for an extended period and have a high demand for their products and services
- Sustainability of margins—This is afforded by well-managed companies with competitive advantages, i.e., patents, proprietary technology, high barriers to entry and/or a strong relationship with buyers/sellers
- Efficient use of capital—This is demonstrated by companies guided by wise management that are able to make the best use of all cash flow alternatives, i.e., pay down/issue debt, where to reinvest proceeds, issue/buyback stock

All members of the Global team share a common philosophy. Team members use a distinctive theme approach while looking for excellent investment opportunities overseas by focusing on trends that they believe will grow faster than the nominal GDP over a sustained period. Themes include market and industry trends that they believe will fuel long-term growth worldwide while leading to promising companies at advantageous prices over the next 20 years. Research is focused on companies that are positioned to benefit from these trends by experiencing high market demand for their products and services. These themes include: Mass Affluence, New Technologies, Aging and Restructuring (MANTRA).

Limits

The Fund can invest without limit in foreign securities and can invest in any country, including countries with developed or emerging markets. The Fund does not limit its investments to companies in a particular capitalization range, but currently focuses its investments in mid- to large-cap companies. The primary investment risks for this Fund include: market risk, industry concentration risk, risks of growth investing, investing in small-capitalization companies, investing in foreign securities and emerging markets.

Oppenheimer Main Street Opportunity Fund®

Investment Objective

Oppenheimer Main Street Opportunity Fund® seeks long-term capital appreciation by investing primarily in common stocks of U.S. companies of small-, medium- and large-capitalization ranges.

Investment Process

The Main Street investment approach was created nearly thirty years ago. Over the succeeding decades, the Main Street investment team has repeatedly demonstrated that, while difficult, an approach that is sophisticated enough, disciplined enough and responsive enough to changing market conditions can indeed beat the market over time.

The Main Street approach is quantitative in nature, based on mathematical relationships between a variety of financial and economic characteristics and a stock's behavior. The Main Street investment team believes that quantitative portfolio management techniques have intrinsic advantages over techniques based primarily on traditional, fundamental research. That's because the effectiveness of fundamental money management techniques depends on an individual analyst's understanding of a particular company and stock. However, hundreds of variables affect security prices—far more than the human mind can track. That's why even the most well known stocks held by the widest range of institutional investors will occasionally suffer unexpected declines.

The quantitative investment models used by the team rely on factors representing a variety of characteristics—such as relative value factors, momentum factors, seasonal stock behavior patterns and other factors—that show a degree of correlation with a stock's performance. Since results are computer generated, the process can involve dozens of factors from a wide variety of sources and can be applied to a very large universe of stocks. The Main Street investment team applies approximately 50 factors to more than 3,000 stocks on a regular basis, with Main Street Opportunity Fund's investable universe consisting of all 3,000 securities. Because their multi-factor approach uses data from many different sources, it often picks up trends and signals before they are apparent to the human observer.

Equally important, the quantitative approach reduces the impact of emotion on the portfolio management process. The Main Street investment team, studies investor psychology to better understand why some factors have stronger predictive power than others, and to learn which are likely to be most durable. However, the disciplined Main Street process keeps emotional biases and patterns of thinking from affecting the management of their portfolios.

While Main Street shares many of these characteristics with other quantitative investment methods, few others have succeeded in matching our results over the long term. One way the Main Street investment team continues to produce above-average investment results decade after decade is by continually improving and adapting their quantitative tools.

The Main Street process not only evolves in response to new ideas, but also as a result of listening to the lessons of history. Unlike static quantitative approaches that focus on a fixed group of present-day stock characteristics, the Main Street investment team also looks back in time to find periods when economic and monetary conditions most closely resembled todays. By determining which predictive values worked particularly well or badly in similar periods in the past, the Main Street investment team gains a more accurate picture of how those factors are likely to behave today. The Main Street investment team has developed systems for shifting the weightings of the factors in our models depending on this macro-economic evidence.

Limits
The Fund does not concentrate 25% or more of its total assets in any one industry. The Fund has no limitations on market capitalization or investment style.

Oppenheimer Main Street Small Cap Fund®

Investment Objective
Oppenheimer Main Street Small Cap Fund® seeks capital appreciation from small company stocks.

Investment Process
The Main Street investment approach was created nearly 30 years ago. Over the succeeding decades, the Main Street investment team has repeatedly demonstrated that, while difficult, an approach that is sophisticated enough, disciplined enough and responsive enough to changing market conditions can indeed beat the market over time.

The Main Street approach is quantitative in nature, based on mathematical relationships between a variety of financial and economic characteristics and a stock's behavior. The Main Street investment team believes that quantitative portfolio management techniques have intrinsic advantages over techniques based primarily on traditional, fundamental research. That's because the effectiveness of fundamental money management techniques depends on an individual analyst's understanding of a particular company and stock. However, hundreds of variables affect security prices—far more than the human mind can track. That's why even the most well-known stocks held by the widest range of institutional investors will occasionally suffer unexpected declines.

The quantitative investment models used by the team rely on factors representing a variety of characteristics—such as relative value factors, momentum factors, seasonal stock behavior patterns and other factors—that show a degree of correlation with a stock's performance. Since results are computer generated, the process can involve dozens of factors from a wide variety of sources and can be applied to a very large universe of stocks. The Main Street investment team applies approximately 50 factors to more than 3,000 stocks on a regular basis, with the Main Street Small Cap Fund's investable universe consisting of about 2,000 securities. Because their multi-factor approach uses data from many different sources, it often picks up trends and signals before they are apparent to the human observer. Oppenheimer Main Street Small Cap Fund considers its universe to be more than 2,000 stocks.

Equally important, the quantitative approach reduces the impact of emotion on the portfolio management process. The Main Street investment team studies investor psychology to better understand why some factors have stronger predictive power than others, and to learn which are likely to be most durable. However, the disciplined Main Street process keeps emotional biases and patterns of thinking from affecting the management of their portfolios.

While the Main Street investment approach shares many of these characteristics with other quantitative investment methods, few others have succeeded in matching the Main Street investment team's results over the long term. One way the Main Street investment team continues to produce above-average investment results decade after decade is by continually improving and adapting their quantitative tools.

The Main Street process not only evolves in response to new ideas, but also as a result of listening to the lessons of history. Unlike static quantitative approaches that focus on a fixed group of present-day stock characteristics, the Main Street investment team also looks back in time to find periods when economic and monetary conditions most closely resembled today's. By determining which predictive values worked particularly well or badly in similar periods in the past, the Main Street investment team gains a more accurate picture of how those factors are likely to behave today. The Main Street investment team has developed systems for shifting the weightings of the factors in their models depending on this macro-economic evidence.

Limits
The Fund does not concentrate 25% or more of its total assets in any one industry. The Fund invests in small-capitalization companies from an equity universe made up of 2,000 small-cap stocks. The Fund currently considers an issuer having a market capitalization of up to $3 billion to be a small-cap issuer. The Fund measures that capitalization at the time the Fund buys the security and it is not required to sell the security if the issuer's capitalization grows above $3 billion.

Oppenheimer Capital Appreciation Fund

Investment Objective
Oppenheimer Capital Appreciation Fund's investment objective is to seek capital appreciation.

Investment Process
The portfolio managers of Oppenheimer Capital Appreciation Fund employs a theme-based, quality growth investment approach that balances finding the best growth opportunities while maintaining sensitivity to valuations. Investments are focused on world-class growth companies exhibiting long-term positive spirals. To attempt to outperform the market over a given cycle, the portfolio managers purchase stocks that exhibit sustainable, above-average growth. Selected stocks typically display above-average growth potential, with visible and sustainable earnings, and are attractively priced relative to the market. Visible and sustainable earnings are of primary importance but the stocks should be attractively priced relative to the market.

Limits
Although by prospectus the Fund does not have a limit on individual positions, the Fund typically limits individual names to no more than 5%, well-diversified by design so as not to take on any undue company risk.

The Fund is committed to its bottom-up stock selection process and sector allocations are a by-product. By prospectus, the Fund may not invest more than 25% in any one industry. Sector overweights are limited to 2x's large market sectors and 3x's the smaller sectors. The Fund currently does not expect to have more than 35% of its assets invested in foreign securities, although it has the ability to invest in them without limit.

Oppenheimer Value Fund

Investment Objective
The Fund seeks long-term growth of capital by investing primarily in common stocks with low price-earnings ratios and better-than-anticipated earnings. Realization of current income is a secondary consideration.

Investment Process
The first step of the Fund's investment process is to define its universe. In general, the Fund considers the less expensive half of the stock market on a price to earnings and a price to book basis. The Fund also considers individual situations that may not appear cheap on a current basis, but where the long-term earnings power far outweighs the current price. Once the Fund has defined its universe, its investment philosophy integrates two key principles: the focus on stock selection and the attention the Fund pays to the determination of future earnings power. The Fund focuses on future earnings power because its research has shown that it is the best predictor of future stock performance within the value universe of companies.

Securities are selected on a bottom-up basis using fundamental analysis. Primarily the Fund is focused on situations where the long-term earnings power of a security is materially greater than its sector peers. Generally, there are three areas of interest to the Fund in its assessment of long-term earnings power. First is revenue growth, second is margin expansion, and the third is capital management opportunities.

The second step of the Fund's investment process is the attention the Fund pays to building the portfolio with its stock selection decisions. The Fund's primary goal of portfolio construction is to derive portfolio returns from stock selection rather than from making large sector bets or from other factors or themes. Once the Fund has assessed long-term earnings power, the Fund adds stocks to the portfolio, which has the best combination of valuation and long-term earnings power. As a general rule, the Fund avoids comparing the relative investment merits of companies in different sectors. The Fund considers valuation in circumstances where the fundamental outlook is the same but there is a meaningful valuation difference. In such circumstances the Fund will invest in the less expensive option.

Our investment philosophy blends these two important components, stock idea generation and portfolio construction, into a portfolio which the Fund believes can capture the long-term return benefit of value stocks.

Limits
If the Fund does not have a strong conviction regarding the outlook for a particular sector the Fund will keep the sector weight neutral to its benchmark. For those sectors where the Fund has a strong outlook based on relative valuation, fundamentals and earnings, the Fund expects to have a modest overweight. The Fund's objective is to keep its sector and factor bets in a similar magnitude as its individual stock bets. The Fund also does not concentrate 25% or more of its assets in any one industry.

Per the prospectus, the Fund does not limit its investments in equity securities to issuers having a market capitalization of a specified size or range, and therefore may invest in securities of small-, mid- and large-capitalization issuers. At times, the Fund may have substantial amounts of its assets invested in securities of issuers in one or more capitalization ranges, based upon the portfolio manager's use of its investment strategies and his judgment of where the best market opportunities are to seek the Fund's objective.

However, the Fund will invest primarily in large-cap companies and deliver an overall large-cap profile.

Oppenheimer Core Bond Fund

Investment Objective
The Fund's objective is to seek total return by investing mainly in debt instruments.

Investment Process
The portfolio managers follow a broad and diversified universe of fixed income securities. These include domestic and foreign corporate debt obligations, domestic and foreign government bonds, as well as participation interests in loans, asset-backed securities, mortgage-related securities (including collateralized mortgage obligations (CMOs) issued by private issuers, and other debt obligations. Although the Fund may invest in a wide variety of credits and maturities, the Fund seeks to maintain an average credit quality of A- or better, and an average effective duration of three to six years.

For Oppenheimer Core Bond Fund, the Fund's portfolio managers use a disciplined team-driven approach to identify securities. The

Fund's belief is that its shareholders should be compensated for the amount of risk it takes to achieve a given return (income and price appreciation). As such, much of the Fund's emphasis is on carefully identifying the risk in the individual securities and overall portfolio and ensuring that it manages those risks to meet its shareholders' expectations for total return and income.

The Fund's team approach adds considerable value, and so does the disciplined investment process it follows. The Fund combines a top-down asset allocation strategy among the three sectors with a bond-by bond security selection. The Fund starts its construction process by separating the systemic factors—interest rate levels, the shape of the yield curve and spreads over treasuries—that affect the bond market as a whole from the credit and prepayment factors that affect individual securities and security types. Finally, the Fund looks for opportunities to add value by assessing relative values in various market sectors, in every case balancing yield and potential price volatility.

Limits
The Fund attempts to reduce its exposure to market risks by diversifying its investments, that is, by not holding a substantial amount of securities of any one issuer and by not investing too great a percentage of the Fund's assets in any one company.

By prospectus, the Fund cannot buy securities issued or guaranteed by any one issuer if more than 5% of its total assets would be invested in securities of that issuer or if it would then own more than 10% of that issuer's voting securities. That restriction applies to 75% of the Fund's total assets. The limit does not apply to securities issued by the U.S. Government or any of its agencies or instrumentalities or securities of other investment companies. The Fund can invest up to 20% of its total assets in high yield debt securities that are below investment grade.

Typically, the Fund will hold 150-300 securities.

Oppenheimer Limited-Term Government Fund

Investment Objective
The Fund seeks high current return and safety of principal.

Investment Process
The Fund invests only in obligations issued or guaranteed by the U.S. Government or its agencies or instrumentalities. These securities include U.S. Treasury notes and bonds, mortgage-related securities issued by federal government agencies, and other debt securities. The Fund may also use derivatives of these investments.

The Fund is designed to take advantage of opportunities to gain incremental yield and total return potential where they exist in the government and mortgage market, without adding significant amounts of risk. The first step in constructing the Fund's portfolio is to analyze the U.S. Treasury yield curve, which is the fundamental benchmark for all investment-grade investment analytics. The portfolio managers determine the appropriate amount of interest rate risk for the portfolio by balancing the need for income, which generally increases with the amount of interest rate risk, and the desire for low share price volatility.

The Fund maintains average effective portfolio duration of no longer than three years. Once the appropriate interest rate risk target has been determined, the allocation to mortgage securities and agency securities is determined. The portfolio managers compare the relative value of these securities to Treasury securities using sophisticated analytic systems which take into account liquidity in the market, historical and expected interest rate volatility, and supply and demand for the various asset types.

The portfolio managers and analysts select the individual securities based upon their income potential and relative return potential. Securities may be sold when they have performed in line with expectations and there is limited further upside, when the risk/return characteristics have changed due to changing market conditions, or when other more attractive securities are available.

Limits
The Fund invests at least 80% of its net assets (plus borrowings used for investment purposes) in debt securities issued by the U.S. Government, its agencies and instrumentalities, repurchase agreements on those securities and hedging instruments approved by its Board of Trustees. The Fund may invest up to 20% of its net assets in mortgage-backed securities that are not issued or guaranteed by the U.S. Government, its agencies or instrumentalities, asset-backed securities, investment grade corporate debt obligations and certain other high quality debt obligations.

Oppenheimer Money Market Fund, Inc.
The Fund's investment objective is to seek the maximum current income that is consistent with stability of principal. The Fund is a money market fund investing in a variety of high quality money market instruments to seek income. Money market instruments are short-term debt instruments issued by the U.S. Government, domestic and foreign corporations, and financial institutions and other entities. They include, for example, bank obligations, repurchase agreements, commercial paper, other corporate debt obligations and government debt obligations.

All investment opportunities are monitored against the strict diversification requirements of each money market fund. If permissible, a particular issuer or investment idea is reviewed by the entire investment team. As discussed below, this review covers a wide spectrum of company-specific, industry-specific, macro-economic, and trading and structural issues. While portfolio managers and credit analysts are primarily responsible for performing the day-to-day credit review, all group members participate in this process. Uniquely, each group member, regardless of position, may remove any issuer from the Taxable Approved List, a list that is used by the group's traders when making investments for a money market fund. This list, which contains issuing entities in different industries, is the sole source of potential investments for the traders. The Tax-exempt Approved List shares bank, insurance and some corporate credits with the Taxable Approved List.

All of our efforts are designed to minimize company-specific and systemic risks. The review and analysis of investment opportunities is not fragmented but coordinated by the portfolio managers or analysts most knowledgeable about the borrower and its specific industry sector. Exposing all investment opportunities to the entire group for discussion, critique and final disposition enhances the quality of each investment decision. Credit quality is the key factor driving these discussions. A portfolio manager or senior analyst must approve all additions to the Approved List. In addition, each periodic update of the borrower's financial strength is reviewed by a second senior individual not involved with performing the analysis. The maximum exposure to any single issuer is 5% (instrumentalities and U.S. agencies are exempt as well). We monitor holdings at the issuer level.

See page 15 for information concerning the investment objectives and primary investment strategies and risks for each Vanguard Underlying Fund.

Vanguard® Total Stock Market Index Fund

The Fund employs a "passive management"—or indexing—investment approach designed to track the performance of the MSCI U.S. Broad Market Index, which represents 99.5% or more of the total market capitalization of all of the U.S. common stocks regularly traded on the New York and American Stock Exchanges, and the Nasdaq over-the-counter market. The Fund typically holds the largest 1,200-1,300 stocks in its target index (covering nearly 95% of the index's total market capitalization) and a representative sample of the remaining stocks. The Fund holds a range of securities that, in the aggregate, approximates the full index in terms of key characteristics. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

Vanguard® Total Bond Market Index Fund

The Fund employs a "passive management"—or indexing—investment approach designed to track the performance of the Lehman Brothers Aggregate Bond Index. This index measures a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than one year. The Fund invests by sampling the index, meaning that it holds a range of securities that, in the aggregate, approximate the full index in terms of key risk factors and other characteristics. All of the Fund's investments will be selected through the sampling process, and at least 80% of the Fund's assets will be invested in bonds held in the index. The Fund maintains a dollar-weighted average maturity consistent with that of the index, which currently ranges between five and 10 years.

Vanguard® Balanced Index Fund

The Fund employs a "passive management"—or indexing—investment approach designed to track the performance of two benchmark indexes. The Fund invests by sampling its target indexes, meaning that it holds a range of securities that, in the aggregate, approximate the full indexes in terms of key characteristics. With 60% of its assets, the Fund seeks to track the investment performance of the Morgan Stanley Capital International (MSCI) U.S. Broad Market Index, which represents 99.5% or more of the total market capitalization of all the U.S. common stocks regularly traded on the New York and American Stock Exchanges, and the Nasdaq over-the-counter market. The Fund typically holds the largest 1,200-1,300 stocks in the MSCI U.S. Broad Market Index and a representative sample of the remainder of the index. With 40% of its assets, the Fund seeks to track the investment performance of the Lehman Brothers Aggregate Bond Index, which measures a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than one year. At least 80% of the bond portion of the Fund is invested in bonds held in the Lehman Brothers Aggregate Bond Index, and all of the Fund's bond holdings are selected through the sampling process. The bond portion of the Fund maintains a dollar-weighted average maturity consistent with that of the index, which ranges between five and 10 years.

Vanguard® Total International Stock Index Fund

The Fund employs a "passive management"—or indexing—investment approach. The Fund seeks to track the performance of the Total International Composite Index by investing in three other Vanguard funds—Vanguard European Stock Index Fund, Vanguard Pacific Stock Index Fund, and Vanguard Emerging Markets Stock Index Fund. These other funds seek to track the MSCI Europe Index, the MSCI Pacific Index, and the MSCI Emerging Markets Index, which together make up the Total International Composite Index. The Fund allocates all, or substantially all, of its assets among the European Stock Index Fund, the Pacific Stock Index Fund, and the Emerging Markets Stock Index Fund, based on the market capitalization of European, Pacific, and emerging markets stocks in the Total International Composite Index.

OREGON
COLLEGE SAVINGS PLAN℠
PART OF THE OREGON 529 COLLEGE SAVINGS NETWORK

OppenheimerFunds®
Distributor, Inc.

The Oregon College Savings Plan℠ is administered by Oregon State Treasurer Randall Edwards and distributed by OppenheimerFunds Distributor, Inc. OppenheimerFunds, Inc. is the program manager of the Plan. Some states offer favorable tax treatment to their residents only if they invest in the state's own plan. Non-residents of Oregon should consider whether their state offers its residents a 529 plan with alternative tax advantages and should consult their tax advisor. These securities are neither FDIC insured nor guaranteed and may lose value. Although money contributed to the Oregon College Savings Plan will be invested in portfolios that invest in underlying mutual funds from OppenheimerFunds and Vanguard, the Oregon College Savings Plan is not itself a mutual fund. The state of Oregon has created a trust specifically for the purpose of offering 529 college savings plans, including the Oregon College Savings Plan. An investment in the Oregon College Savings Plan is an investment in municipal fund securities that are issued and offered by the trust. Investment values fluctuate. Please read the Plan Description and Participation Agreement, available at www.oregoncollegesavings.com or by calling 1.866.772.8464, for more complete information including investment objectives, fees, expenses and risks.

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Two World Financial Center, 225 Liberty Street, New York, NY 10281-1008

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