BRIGHT DIRECTIONS® COLLEGE SAVINGS PROGRAM

Program Disclosure Statement &
Participation Agreement

BRIGHTDIRECTIONS®

March 31, 2009

Alexi Giannoulias

Illinois State Treasurer

Trustee & Administrator

Northern Trust Securities, Inc.

Distributor

UNION BANK & TRUST COMPANY®

Program Manager

The Program is intended to be used only to save for Qualified Higher Education Expenses. The Program is not intended to be used, nor should it be used, by any taxpayer for the purpose of evading federal or state taxes or tax penalties. Taxpayers may wish to seek tax advice from an independent tax advisor based on their own particular circumstances.

This Program Disclosure Statement is intended to comply with the College Savings Plans Network Disclosure Principles, Statement No. 3, adopted December 9, 2008.

Important Investor Information – Please Read

Before investing in the Bright Directions® College Savings Program, you should consider carefully the following:

1. Depending on the laws of your home state or that of your designated beneficiary, favorable state tax treatment or other benefits offered by such home state for investing in 529 college savings plans may be available only if you invest in such home state's 529 college savings plan;
2. Any state-based benefit offered with respect to a particular 529 college savings plan should be one of many appropriately weighted factors to be considered in making an investment decision; and
3. You should consult with your financial, tax or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You may also wish to contact your home state or any other 529 college savings plan to learn more about the features, benefits and limitations of that state's 529 college savings plan.

Based on information obtained from third parties believed to be reliable, as of the date of this Program Disclosure Statement, the following states offer their income tax deduction to any qualified tuition program: Arizona, Kansas, Maine, Missouri, and Pennsylvania. The following states offer state income tax benefits to residents of those states investing in such states' qualified tuition programs: Alabama, Arkansas, Colorado, Connecticut, District of Columbia, Georgia, Idaho, Illinois, Indiana, Iowa, Louisiana, Maryland, Michigan, Mississippi, Montana, Nebraska, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, Utah, Vermont, Virginia, West Virginia, and Wisconsin. You should consult your tax advisor for more information.

IMPORTANT LEGAL INFORMATION

The Program and its associated persons make no representations regarding the suitability of the Program's investment portfolios for any particular investor. Other types of investments and other types of college savings vehicles may be more appropriate depending on your personal circumstances. You should consult your tax or investment advisor for more information.

No broker, dealer, registered representative, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Program Disclosure Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Bright Directions® College Savings Program, the Illinois State Treasurer, Union Bank & Trust Company, or Northern Trust Securities, Inc.

The information in this Program Disclosure Statement is subject to change without notice, and neither delivery of this Program Disclosure Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Bright Directions® College Savings Program since the date of this document.

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

Accounts in the Illinois College Savings Pool are offered and sold through the Bright Directions® College Savings Program and the Bright Start College Savings Program. The Illinois Student Assistance Commission also administers a prepaid tuition program called College Illinois!.

This Program Disclosure Statement describes only the Accounts available through the Bright Directions® College Savings Program. You can obtain information regarding other Accounts in the Illinois College Savings Pool by contacting the Illinois State Treasurer at 866-458-7327, or by visiting the Illinois State Treasurer's website at www.treasurer.il.gov, or you can obtain information regarding College Illinois! by visiting www.collegeillinois.com.

Bright Directions® College Savings Program "Program Highlights"

Program Structure and Providers (more page 1, 4)	**Trustee:** Illinois State Treasurer **Program Manager:** Union Bank & Trust Company (term through November 17, 2012 or 2015 with extension) **Distributor:** Northern Trust Securities, Inc. **Investment Funds:** PIMCO, BlackRock, DFA, American Century, Delaware Funds, Eaton Vance, Northern Funds, William Blair, AllianceBernstein, ING Mutual Funds, T. Rowe Price, Barclays Global Investors, Calvert, PaydenFunds, NCM Capital, Ariel Investments, OppenheimerFunds, Sit Mutual Funds, Forward Funds, Adelante Capital Management, FMA, and Earnest Partners
Program Contact Information	Bright Directions® College Savings Program 6811 South 27th Street Lincoln, NE 68512 www.brightdirections.com 866 – 722 – 7283
Illinois State Income Tax Benefits (See "Federal and State Tax Considerations", page 29)	• Contributions may be deductible up to $10,000 per tax return ($20,000 if married filing jointly). • Earnings grow free from Illinois State income tax. • Earnings portion of a Qualified Withdrawal is not subject to Illinois State income tax. • Earnings on a Non-Qualified Withdrawal are subject to state income tax.
Federal Tax Benefits (See "Federal and State Tax Considerations", page 29)	• Contributions are not deductible for federal income tax purposes. • Earnings grow free from federal income tax. • Earnings portion of a Qualified Withdrawal is not subject to federal income tax. • Earnings on a Non-Qualified Withdrawal are subject to income tax and a 10% federal penalty tax.
Account Owner Eligibility (See "Opening and Maintaining an Account", page 5)	• The Program is open to all U.S. citizens and resident aliens who are at least 18 years old, have a valid Social Security number or taxpayer identification number, and have a valid permanent address (not a P.O. Box). There are no restrictions on state of residence. The Account Owner may be an individual, certain entities, a custodian under a state UGMA or UTMA account, a trust, state or local government, or a 501(c)(3) organization.
Beneficiary (See "Designating a Beneficiary", page 6)	• The Beneficiary must be a U.S. citizen or resident alien with a valid Social Security number or taxpayer identification number. A Beneficiary may be of any age.
Contributions (See "Contributing to an Account", page 6)	• Minimum: No minimum contribution required. • Maximum: $320,000 per Beneficiary. • Ways to Contribute: Check, Automatic Investment Plan, Electronic Funds Transfer, Payroll Deduction, Wire Transfer, Bright Directions 529 College Savings Visa® Card "Rewards", Rollover from another 529 plan.
Investment Options (See "Investment Portfolios", page 8)	• 3 Age-Based Options (Aggressive, Growth, Balanced). • 7 Target Portfolios. • 26 Individual Fund Portfolios. • 9 Female- and Minority-Owned Portfolios. • Investment Changes allowed once per calendar year (twice in calendar year 2009) or upon a change of Beneficiary.
Program Costs (See "Program Fees and Expenses", page 21)	• $3 quarterly account fee • $10 setup fee

Portfolio Costs*	Range	Average
Age-Based Portfolios	0.74% - 1.07%	0.94%
Target Portfolios	0.74% - 1.07%	0.93%
Individual Fund Portfolios	0.57% - 1.65%	1.09%
Female- & Minority-Owned Portfolios	0.85% - 2.01%	1.54%

Sales Charges	Fee Structure A	C	E	F
Account Sales Charge	3.50%	none	none	none
Annual Account Servicing Fee	0.25%	0.50%	0.25%	none

** includes 0.45% program management fee and underlying fund costs*

Risk Factors (See "Certain Risks to Consider", page 34)	• Opening an Account involves certain risks, including: o the risk that the value of your Account may decrease; o the risk of state or federal tax law changes; o the risk of Program changes, including changes in fees; o the risk that an investment in the Program may adversely affect the Participant's or Beneficiary's eligibility for financial aid or other benefits.
Qualified Withdrawals (See "Distributions From an Account", page 31)	• Funds may be used to pay for the Beneficiary's tuition, fees, room & board (with certain limitations), books, supplies, and equipment required for the enrollment or attendance at an eligible postsecondary institution. • Computers, computer equipment, and Internet access and related services are considered qualified Higher Education expenses if paid or incurred in 2009 or 2010.

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Bright Directions® College Savings Program

INTRODUCTION

The Bright Directions® College Savings Program (the "Program") is part of the Illinois College Savings Pool (the "Pool"). The Pool is an education savings program authorized by the State of Illinois and is designed to qualify as a tax-advantaged savings program under Section 529 of the Internal Revenue Code. Section 529 permits states and state agencies to sponsor qualified tuition programs under which you can open and contribute to an Account for the benefit of any individual, including yourself. The Program is a convenient and tax-advantaged way to save for the cost of college and other qualifying post-high school education.

You may open and contribute to a Program Account regardless of your income. Investment earnings on your Program Contributions accumulate on a tax-deferred basis, and withdrawals are exempt from federal and Illinois State income tax if they are used to pay for the Account Beneficiary's Higher Education Costs. The aggregate balance limit for Accounts for a Beneficiary in the Program and any additional accounts in other State of Illinois Section 529 programs is $320,000.

In addition, individuals who contribute to the Program and file an Illinois State income tax return generally are allowed to deduct from their gross income for Illinois State income tax purposes up to $10,000 of Contributions per year ($20,000 for married taxpayers filing jointly) for total combined contributions to State of Illinois Section 529 programs.

Under federal law, neither you nor the Beneficiary of your Account may exercise investment discretion, directly or indirectly, over Contributions to an Account or any earnings on such Contributions. However, you may choose a balance of equity, real estate, fixed income, and money market investments relating to your Program Account based on the available Portfolios described in this Program Disclosure Statement. The Program has forty-five (45) investment portfolios from which to choose.

This Program Disclosure Statement describes only Accounts in the Program that are sold through brokers or other financial advisors. The Treasurer also offers other ways to invest in the Pool. The other available ways of investing in the Pool offer different investment options, and the cost of investing in the Pool as described in this Program Disclosure Statement may differ from the costs of investing in the Pool through such other investment options. For more information you may contact the Treasurer at 866-458-7327, or visit the Treasurer's website at www.treasurer.il.gov.

All capitalized terms shall have the meanings given to them in the "Definitions of Key Terms" Section beginning on page 2.

PROGRAM HIGHLIGHTS

Eligibility. The Program is open to residents of any state, not just residents of Illinois. There are no income restrictions.

Contribution Amounts. The Program has no required minimum Contribution, and you may make additional Contributions at any time. However, the current Maximum Account Balance for Accounts for a Beneficiary under the Program and any additional accounts in other State of Illinois Section 529 programs is $320,000.

Qualified Withdrawals. Money in your Account may be withdrawn to pay the Beneficiary's Higher Education Costs. Currently, tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Institution of Higher Education are considered Higher Education Costs. Subject to certain limits, Higher Education Costs also include the Beneficiary's room and board expenses. Computers, computer equipment and Internet access and related services that the Beneficiary or the Beneficiary's family use during the time the Beneficiary is enrolled are also considered qualified higher education expenses if paid or incurred in 2009 or 2010.

Federal Income Tax Benefits. Under current law, federal income taxes on investment earnings are tax-deferred while in an Account, and such earnings are free from federal and Illinois State income tax if they are distributed as part of a Qualified Withdrawal. The earnings portion (if any) of a Nonqualified Withdrawal will be ordinary income to the recipient and generally will also be subject to a 10% federal penalty tax.

State Income Tax Benefits. Individuals who file an Illinois State income tax return are eligible to deduct up to $10,000 per tax year ($20,000 for married taxpayers filing jointly) for total combined contributions to the Program, the Bright Start College Savings Program, and College Illinois! during that tax year. In the case of an Account Owner who is a custodian under a State Uniform Gifts to Minors Act ("UGMA") or Uniform Transfers to Minors Act ("UTMA") account, the minor for whom the account is held may be entitled to the Illinois State income tax deduction rather than the custodian of the account.

Gift Tax Treatment. For federal gift tax purposes, Contributions to an Account are considered a gift from the contributor to the Beneficiary that is eligible for the annual gift tax exclusion. For 2009, the annual exclusion is $13,000 per donee ($26,000 for a married couple). This means that in 2009 you may contribute up to $13,000 to an Account, without the Contribution being considered a taxable gift (assuming you make no other gifts to the Beneficiary in the same year). In addition, if your total Contributions to an Account during a year exceed the annual exclusion for that year, you may elect to have the amount you contributed that year treated as though you made one-fifth of the Contribution that year, and one-fifth of the Contribution in each of the next four calendar years. (Such an election must be made on the Federal Gift Tax Return Form 709). This means that you may contribute up to $65,000 in 2009, without the Contribution being considered a taxable gift, provided that you make no other gifts to the Beneficiary in the same year or in any of the succeeding four calendar years. Moreover, a married contributor whose spouse elects on a Federal Gift Tax Return to have gifts treated as "split" with the contributor may contribute up to twice that amount ($130,000 in 2009) without the Contribution being considered a taxable gift, provided that neither spouse makes other gifts to the Beneficiary in the same year or in any of the succeeding four calendar years. The annual exclusion is indexed for inflation and therefore is expected to increase over time.

School Choice. The Beneficiary can attend any United States school (and some foreign schools) qualifying as an Institution of Higher Education, including both public and private schools.

Investment Flexibility. The Treasurer and Program Manager have designed 3 Age-Based Portfolios, 7 Target Portfolios, 26 Individual Fund Portfolios, and 9 Female- and Minority-Owned Portfolios. The Age-Based and Target Portfolios invest in specified allocations of equity, real estate, fixed income, and money market mutual funds, and the Individual Fund and certain Female- and Minority-Owned Portfolios invest in a single mutual fund. Account Owners do not own shares of the underlying mutual funds, but rather own shares in a Portfolio of the Program. Working with your broker or other financial advisor you can choose a Portfolio that is tailored to meet your investment objectives and risk profile. Accounts in the Program are offered only through brokers or other financial advisors to allow you to obtain advice as to whether an investment in the Program is right for you.

DEFINITIONS OF KEY TERMS

Account Owner means the individual or entity that has entered into a Participation Agreement and opened an Account, or the individual or entity to which ownership of an Account has been transferred. The Account Owner must be at least 18 years of age and a U.S. citizen or resident alien with a valid Social Security number or a taxpayer identification number. The Account Owner must also have a valid, permanent address in the U.S. (not a P.O. Box). The Account Owner may be an individual, certain legal entities, a custodian under a State UGMA or UTMA account or a trustee of a trust. The Account Owner may also be a tax-exempt Section 501(c)(3) organization or State or local government that establishes an Account as part of a scholarship program. The Account Owner may make Contributions to the Account, designate or change the Beneficiary, request withdrawals, or request exchanges among Portfolios within the Program. Such investment changes may be made without adverse federal tax consequences only once per calendar year (twice in calendar year 2009) or when the Account Owner changes the Beneficiary.

Account means a separate Account within the Program established by an Account Owner for a named Beneficiary. Each Account must be established through a broker or other financial advisor. For each Account, the Account Owner must select Fee Structure A, C, E, or F.

Age-Based Portfolio means a diversified investment portfolio that invests in equity, real estate, fixed income, or money market funds based on the age of the Beneficiary. Contributions and earnings are typically more heavily weighted in equity investments when the Beneficiary is younger and more towards fixed income and money market investments as the Beneficiary nears college age. See "Exhibit C – Investment Portfolios and Underlying Fund Information."

Beneficiary means the individual designated in the Enrollment Form as the Beneficiary of an Account at the time the Account is established, or the individual designated as the new Beneficiary if the Account Owner changes the Beneficiary of an Account. The Beneficiary must be a U.S. citizen with a Social Security number or taxpayer identification number. A Beneficiary may be of any age. To protect certain federal tax advantages of the Program, there are restrictions on who may be named a replacement Beneficiary. The Beneficiary can only be changed to a "Member of the Family" of the former Beneficiary. In the case of an Account established by a State or local government or a Section 501(c)(3) organization as part of a scholarship program, the Beneficiary is any individual receiving benefits accumulated in the Account as a scholarship.

Code means the Internal Revenue Code of 1986, as amended from time to time.

Contribution means cash deposited into an Account for the benefit of a Beneficiary after deduction of any applicable sales charges under Fee Structure A, C, E, or F. Contributions may be made by check, automatic investment plan, electronic funds transfer, payroll deduction, wire transfer, or via "Rewards" through the Bright Directions 529 College Savings Visa® Card. Contributions may also be made by a rollover or direct transfer of funds from another 529 qualified tuition program or a Coverdell Education Savings Account (formerly known as an "Education IRA"). In addition, subject to certain limitations, redemption of certain qualified United States Savings Bonds may be tax-free if the proceeds are contributed to an Account.

Contributions may be made by the Account Owner or any other person. However, the Account Owner will have the right to control the investment and distribution of any Contributions made by a person other than the Account Owner. In addition, under current law, the gift and generation-skipping transfer tax consequences of a Contribution by someone other than the Account Owner are unclear. Accordingly, if a person other than an Account Owner intends to make a Contribution to an Account, he or she should consult with his or her legal or tax advisor before doing so.

Distributor means Northern Trust Securities, Inc. Northern Trust Securities, Inc. is a registered broker-dealer.

Enrollment Form means the Bright Directions® College Savings Program enrollment form signed by an Account Owner establishing an Account and agreeing to be bound by the terms of the Participation Agreement.

Fee Structure A or C means the fee structure selected by Account Owners who establish an Account with the involvement of a broker or financial advisor as described in the Participation Agreement.

Fee Structure E means the Fee Structure available to Account Owners contributing through an employer-sponsored option.

Fee Structure F means the fee structure available only to Account Owners who establish an Account through registered investment advisors or other financial advisors who are not compensated through commissions, but rather through payment of an hourly fee or a percentage of assets under management.

Female- and Minority-Owned Portfolio means a portfolio where the underlying investment funds are managed by female or minority-owned investment advisors. The portfolios may invest in a single underlying mutual fund, or in the case of the Female- and Minority-Owned Growth Portfolio will invest in a diversified investment portfolio that includes domestic equity and real estate funds. See "Exhibit C – Investment Portfolios and Mutual Fund Information."

Higher Education Costs means the Beneficiary's qualified higher education expenses, as defined in Section 529(e)(3) of the Code. A Beneficiary's Higher Education Costs will be reduced to the extent the Beneficiary's education expenses are taken into account in determining any Hope Scholarship Credit or Lifetime Learning Credit and to the extent the Beneficiary receives any tax-free educational assistance payments.

Currently, tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a Beneficiary at an Institution of Higher Education are considered qualified higher education expenses. Computers, computer equipment and Internet access and related services that the Beneficiary or the Beneficiary's family use during the time the Beneficiary is enrolled are also considered qualified higher education expenses if paid or incurred in 2009 or 2010. Room and board expenses are included as qualified higher education expenses for those students enrolled in a degree or certificate program on at least a half-time basis, provided that such expenses do not exceed the greater of (1) the amount included by the Institution of Higher Education in its "cost of attendance," as defined under federal law, or (2) the actual invoiced amount the student is charged for residing in housing owned or operated by the Institution of Higher Education.

In addition, in the case of a special needs beneficiary, qualified higher education expenses include expenses for special needs services that are incurred in connection with such beneficiary's enrollment or attendance at an Institution of Higher Education.

Individual Fund Portfolio means an investment Portfolio that invests in the shares of a single mutual fund. Account Owners do not own shares of the underlying mutual funds directly, but rather own shares in a Portfolio of the Program. You can choose to allocate your Contributions to one or more Individual Fund Portfolios according to your investment objective and risk tolerance. The performance of the Individual Fund Portfolios is dependent on the performance of the individual mutual funds in which they invest. As a result, their performance may be more volatile than the other available Portfolios in the Program. See "Exhibit C – Investment Portfolios and Underlying Fund Information."

Institution of Higher Education means an eligible educational institution, as defined in Section 529 of the Code. This generally includes any accredited postsecondary educational institution in the United States offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized postsecondary credential. Certain proprietary institutions, postsecondary vocational institutions, and foreign schools also are Institutions of Higher Education. These institutions must be eligible to participate in U.S. Department of Education student aid programs. For a list of schools, visit www.fafsa.ed.gov/FOTWWebApp/FSLookupServlet.

Investment Policy Statement means the Investment Policy Statement adopted by the Treasurer pursuant to the Services Agreement and which sets forth the policies, objectives, and guidelines that govern the investment of Contributions in the Program. The Treasurer may amend the Investment Policy Statement from time to time in accordance with the Services Agreement.

Member of the Family means an individual who is related to the Beneficiary in any of the following ways:

- A son or daughter, or a descendant of either;
- A stepson or stepdaughter;
- A brother, sister, stepbrother, or stepsister;
- The father or mother, or an ancestor of either;
- A stepfather or stepmother;
- A son or daughter of a brother or sister;
- A brother or sister of the father or mother;
- A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law;
- The spouse of the Beneficiary or the spouse of any of the foregoing individuals; or
- A first cousin of the Beneficiary.

For purposes of determining who is a Member of the Family, a legally adopted child of an individual is treated as the child of such individual by blood. The terms brother and sister include a brother or sister by the half-blood.

Nonqualified Withdrawal means any distribution from an Account to the extent it is not a Qualified Withdrawal or a Qualified Rollover Distribution. The earnings portion of a Non-Qualified Withdrawal will generally be treated as income subject to income tax and a 10% federal penalty tax.

Participant means an Account Owner. A Participant need not be a resident of the State of Illinois.

Participation Agreement means the legally binding contract between a Participant and the Trust. The current Participation Agreement is attached as Exhibit A to this Program Disclosure Statement. However, the Treasurer may amend the Participation Agreement at any time.

Pool means the Illinois College Savings Pool.

Portfolio means any of the investment portfolios available, and to which Contributions may be made, under the Program. An Account Owner must designate a Portfolio or Portfolios in the Enrollment Form for each Account. A Portfolio may be invested in equity, real estate, fixed income, and/or money market investments. The Program currently has Age-Based, Target, Individual Fund, and Female- and Minority-Owned Portfolios.

Program means the Bright Directions® College Savings Program.

Program Manager means Union Bank & Trust Company of Lincoln, Nebraska.

Qualified Rollover Distribution means a distribution or transfer from an Account that is deposited within sixty (60) days of the distribution or transfer to:

- Another qualified tuition program for the benefit of the Beneficiary, provided that any such transfer does not occur within twelve months from the date of a previous transfer to a qualified tuition program for the benefit of the Beneficiary; or
- Another Account in the Pool, or another account in any other qualified tuition program, for the benefit of an individual who is a Member of the Family of the Beneficiary.

Qualified Withdrawal means a withdrawal from an Account that is used to pay the Higher Education Costs of the Beneficiary. A Qualified Withdrawal generally is not subject to federal or Illinois State income tax.

Services Agreement means the Bright Directions® College Savings Program Services Agreement by and between the Program Manager and the Treasurer.

Target Portfolio means a diversified investment portfolio that can invest in equity, real estate, fixed income, and money market funds. Contributions and earnings are invested in a set asset allocation of equity, real estate, fixed income, and money market funds. Unlike the Age-Based Portfolios, the Target Portfolios' asset allocations do not adjust as the Beneficiary gets older. See "Exhibit C – Investment Portfolios and Underlying Fund Information."

Treasurer means the Illinois State Treasurer.

Trust means the Bright Directions® College Savings Program Trust.

DESCRIPTION OF THE PROGRAM

What Is the Program?

The Program is an education savings program created by the State of Illinois and is designed to qualify as a qualified tuition program under Section 529 of the Code. The primary purpose of the Program is to promote and enhance the affordability and accessibility of higher education by offering a convenient and tax-advantaged way to save for the cost of college and other qualifying post-high school education. Federal income taxes on investment earnings in an Account are deferred until there is a distribution from the Account. In addition, a distribution is free from federal and Illinois State income tax if it is used to pay the Higher Education Costs of the Beneficiary.

Accounts in the Pool are offered in different ways. Accounts in the Program are offered through brokers or other financial advisors and are intended to allow Participants to seek advice from their financial professional about an investment in the Program. Before investing in the Program, you should consult with your financial professional about whether an investment in the Program is appropriate in light of your overall financial goals and whether an investment in the Program is an appropriate vehicle for you to use to save for Higher Education Costs. If you decide to invest in the Program you should also consult with your financial professional about the appropriate Portfolio or Portfolios in which to invest Contributions.

What Is the Legal Structure of the Program?

The Illinois State Treasurer acts as trustee and is responsible for the overall administration of the Program. Amounts contributed to the Program will be invested in the Trust. The Treasurer established the Trust to hold the assets of the Program, including contributions to Accounts established by Account Owners.

The Treasurer has selected Union Bank & Trust Company as Program Manager to advise the Treasurer on the investment of Contributions to the Program and to provide day-to-day administrative and marketing services to the Program. The Program Manager has entered into a distribution agreement with Northern Trust Securities, Inc., under which they have agreed to act as Distributor for the Program. Under this contract, the Distributor will engage registered broker-dealers and financial institutions to assist in marketing the Accounts to those interested in saving for college education expenses. You will be able to open Accounts and make Contributions to Accounts through your broker or other financial advisor.

How Does the Program Work?

To begin saving for college or other post-high school education you must open an Account and make an initial Contribution to your Account for a named Beneficiary. Money contributed to your Account will be invested in the Portfolio(s) you choose after deducting the Program's initial setup fee and any sales charges imposed under the Fee Structure you select. When the Beneficiary of your Account incurs Higher Education Costs, you may withdraw money from your Account to pay those Higher Education Costs.

What Types of Costs May Be Paid With Account Funds?

Account funds may be used to pay the Higher Education Costs of the Account Beneficiary. These generally include tuition, fees, books, supplies, and equipment required for the Beneficiary's enrollment or attendance at an Institution of Higher Education. Subject to certain limitations, these also generally include the room and board expenses of a student enrolled on at least a half-time basis. Computers, computer equipment and Internet access and related services that the Beneficiary or the Beneficiary's family use during the time the Beneficiary is enrolled are also considered qualified higher education expenses if paid or incurred in 2009 or 2010. In addition, Higher Education Costs include expenses for special needs services in the case of a special needs beneficiary. Institutions of Higher Education generally include accredited, postsecondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate level or professional degree, or another recognized postsecondary credential, including certain proprietary, post-secondary vocational, and foreign institutions. The institution must be eligible to participate in U.S. Department of Education student aid programs.

OPENING AND MAINTAINING AN ACCOUNT

Who Can Open an Account?

An Account may be established by an individual, certain legal entities, a custodian under a State's UGMA or UTMA statute, or the trustee of a trust. The Account Owner must be at least 18 years of age and a U.S. citizen or resident alien with a valid Social Security number or a taxpayer identification number. The Account Owner must also have a valid, permanent address in the U.S. (not a P.O. Box). There are no ncome limitations for the Account Owner to participate in, or benefit from, the Program. An Account Owner or multiple Account Owners can open more than one Account for the same Beneficiary as long as the total of the balances in all such Accounts and accounts for the Beneficiary in other Illinois Section 529 programs, including the Bright Start College Savings Program and College Illinois!, do not exceed $320,000. In addition, an Account may be established by a State or local government or a tax-exempt organization described in Section 501(c)(3) of the Code as part of a scholarship program operated by such government or organization.

There are no restrictions on state of residence to open an account. There may be only one Account Owner per Account (joint ownership is not allowed).

If the prospective Account Owner is a trust, the trustee should consult with his or her legal and tax advisors before establishing an Account. This Program Disclosure Statement does not address the income or transfer tax consequences of investments in the Program made by a trust or the propriety of such an investment under state trust law.

Accounts are only offered by the Distributor and through brokers or other financial advisors. You should contact your broker or other financial advisor to determine if they offer Accounts.

How Do I Open an Account?

To open an Account, you must complete an Enrollment Form and return it to your broker or other financial advisor. By completing an Enrollment Form, you agree to be bound by the terms and conditions of the Participation Agreement, which governs your rights, benefits, and obligations as an Account Owner. The current form of the Participation Agreement is included as Exhibit A to this Program Disclosure Statement. If you wish to make Contributions for more than one Beneficiary, you must complete an Enrollment Form and open a separate Account for each Beneficiary. You should note, however, that any amendments to the Code or Illinois laws or regulations relating to the Program may automatically amend the terms of the Participation Agreement, and the Treasurer may amend the Participation Agreement at any time or for any reason by giving you written notice of such amendments.

As Account Owner, you control the Account, including any Contributions made to the Account by third parties. The Account Owner may change the Beneficiary of the Account, transfer money in the Account to another account in the Pool or another qualified tuition program, or withdraw money from the Account, in each case subject to any applicable taxes or other rules as described in this Program Disclosure Statement and under applicable law.

You must open an Account through a broker or other financial advisor. When you open your Account, you must choose from among Fee Structure A, C, E, or F. Fee Structure E is available only to Account Owners investing in the Program through an employer-sponsored option, and Fee Structure F is available only to Account Owners investing in the Program through registered investment advisors or other financial advisors who are not compensated through commissions, but rather through payment of an hourly fee or a percentage of assets under management. Contributions to an Account will be invested after the Program's initial setup fee and any applicable sales charges are deducted. To open an Account, contact your broker or other financial advisor directly for specific instructions and assistance on how to complete and submit the Enrollment Form.

How Many Accounts Can I Open?

There is no limit on the number of Accounts you can establish, and an Account Owner may establish more than one Account and designate different Portfolios for the same Beneficiary. However, the aggregate balance of all Accounts for a Beneficiary, and accounts in other Illinois Section 529 Programs, including the Bright Start College Savings Program and College Illinois!, may not exceed $320,000.

When Can I Open an Account for an Infant?

There are no age limitations for an Account Beneficiary. However, at the time you open an Account, you must designate a Beneficiary. If you open an Account for a newborn for whom a Social Security number has not yet been obtained, you may still designate that individual as Beneficiary, so long as you provide the Program Manager with the Beneficiary's Social Security number within 60 days.

May I Change Ownership of a Program Account?

You may change ownership of your Account to another individual or entity that is eligible to be an Account Owner. When you transfer ownership of your Account, you may, but are not required to, change the Beneficiary. A change of ownership of an Account will only be effective to transfer ownership if the assignment is irrevocable and transfers all ownership rights.

To be effective, a transfer of ownership of your Account also requires the new Account Owner to complete and execute an Enrollment Form (and thereby enter into a Participation Agreement). Your signature on the appropriate change form must be signature guaranteed, or it will not be processed. You should consult your tax advisor regarding the potential gift and/or generation-skipping transfer tax consequences of changing ownership of your Account.

Can I Name a Successor to Take Over Ownership of My Account Upon My Death?

On your Enrollment Form, you may designate a successor Account Owner to take ownership of your Account in the event of your death. If you have already established an Account, you may designate a successor Account Owner or change your designation by completing the appropriate form which may be obtained by contacting the broker or other financial advisor through which you opened your Account.

If you do not designate a successor Account Owner, then your estate, acting through your personal representative, will become the successor Account Owner. Before the successor Account Owner will be permitted to transact business in respect of your Account, he or she will be required to provide a certified copy of the death certificate and to execute a new Enrollment Form, thereby entering into a current Participation Agreement.

From Where Can I Obtain Additional Forms and Enrollment Kits?

You can obtain forms and additional enrollment kits from your broker or other financial advisor. You may also obtain account maintenance forms and the Program Disclosure Statement from the Program Manager by visiting the Program's website at www.brightdirections.com, or by contacting the Program Manager at 866-722-7283.

DESIGNATING A BENEFICIARY

Who May Be a Program Beneficiary?

Any individual who is a U.S. citizen with a valid federal taxpayer identification number, such as a Social Security number, can be a Program Beneficiary. A Beneficiary can be of any age and need not be a resident of the State of Illinois. Each Account may have only one designated Beneficiary, but different Account Owners may establish different Accounts for the same Beneficiary, provided that the total balances in such Accounts, and all other accounts in other Illinois Section 529 Programs, do not exceed $320,000. An Account Owner may also name himself or herself as the Beneficiary.

If an Account is established by a State or local government (or agency or instrumentality thereof) or an organization described in Section 501(c)(3) of the Internal Revenue Code as part of a scholarship program operated by such government or organization, the Beneficiary is not required to be identified on the Enrollment Form at the time the Account is established. Such government or organization must designate the Beneficiary prior to any distributions for Higher Education Costs from the Account.

Do I Have to Be Related to the Beneficiary?

When you establish an Account, you do not have to be related to the named Beneficiary. However, if you change the named Beneficiary in the future, the new Beneficiary must be a Member of the Family of the current Beneficiary in order to avoid potentially adverse tax consequences.

May I Change Beneficiaries?

As the Account Owner, you may change the Beneficiary at any time without adverse federal income tax consequences if the new Beneficiary is a Member of the Family of the current Beneficiary. You may also change the Portfolios in which your Account is invested when you change the Beneficiary. If the new Beneficiary is not a Member of the Family of the current Beneficiary, then the change is treated as a Nonqualified Withdrawal that is subject to taxes and a penalty. A Member of the Family is anyone who is related to the Beneficiary in one of the following ways:

- A son or daughter, or a descendant of either;
- A stepson or stepdaughter;
- A brother, sister, stepbrother, or stepsister;
- The father or mother, or an ancestor of either;
- A stepfather or stepmother;
- A son or daughter of a brother or sister;
- A brother or sister of the father or mother;
- A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law;
- The spouse of the Beneficiary or the spouse of any of the foregoing individuals; or
- A first cousin of the Beneficiary.

See "Definitions of Key Terms – Member of the Family," above.

A change of the Beneficiary of an Account or a transfer to an Account for another Beneficiary may have federal gift tax or generation-skipping transfer tax consequences. You should consult your tax advisor under such circumstances.

If the source of Contributions to an Account was a State UGMA or UTMA account, the Beneficiary of the Account may not be changed until the minor attains the legal age necessary to control the UGMA or UTMA assets.

If you change the Beneficiary of your Account, the Program Manager will ask you to certify the relationship between the new Beneficiary and the current Beneficiary. To change the Beneficiary of your Account, you should contact the broker or other financial advisor through which you opened your Account, call the Program Manager at 866-722-7283, or visit the Program Manager's website at www.brightdirections.com.

CONTRIBUTING TO AN ACCOUNT

How Do I Make Contributions to the Program?

All Contributions to your Account must be in cash. You can make Contributions to your Account by:

- check;
- automatic investment plan ("AIP");
- electronic funds transfer ("EFT");

- payroll deduction;
- wire transfer;
- Bright Directions 529 College Savings Visa® Card "Rewards"; or
- a rollover from another 529 qualified tuition program

Checks should be made payable to "Bright Directions College Savings Program" and sent to the following address:

Mailing Address:
Bright Directions College Savings Program
P.O. Box 82623
Lincoln, NE 68501-9823

Overnight or Courier Address:
Bright Directions College Savings Program
6811 South 27th Street
Lincoln, NE 68512

With an AIP or EFT, you can initiate Contributions, stop making Contributions, change your Contribution amount, or change your bank or the frequency of Contributions by contacting your financial advisor or the Program Manager, by logging on to your account online, or by completing the appropriate form.

If your AIP or EFT contribution cannot be processed because of insufficient funds or because of incomplete or inaccurate information, the Program reserves the right to suspend future AIP or EFT contributions.

Contributions may also be made by a direct transfer of funds from a Coverdell Education Savings Account (formerly known as an Education IRA) ("CESA"). Amounts distributed from a CESA and contributed to an Account may be treated as a tax-free distribution from the CESA. In addition, subject to certain limitations, redemption of certain qualified United States Savings Bonds may be tax-free if the proceeds are contributed to an Account. Certain rules and requirements must be met. For more information consult IRS Publication 970 and your financial, tax, or legal advisor.

The Program Manager will assume that the entire amount of any Contribution that is a rollover contribution from a CESA, a qualified United States Savings Bond, or another 529 qualified tuition program is earnings in the Account receiving the Contribution until the Program Manager receives appropriate documentation showing the actual earnings portion of the Contribution. This assumption is required by the Internal Revenue Service. For more information regarding transfers and rollovers, see "Can I Rollover or Transfer Funds From Another 529 Qualified Tuition Program?" below. For more information regarding the assumption that a Contribution consists solely of earnings, see "Exhibit B – Tax Information."

Can I Rollover or Transfer Funds From Another 529 Qualified Tuition Program?

You may open an Account or contribute to an existing Account in the Program by rolling over or transferring funds from another 529 qualified tuition program. Such a rollover transaction will be treated as an income tax-free Qualified Rollover Distribution if the rollover does not occur within 12 months from the date of any previous rollover to a 529 qualified tuition program for such beneficiary or if you change the Beneficiary of the Account to a Member of the Family of the current Beneficiary. The program from which you are transferring funds may impose fees or other restrictions on such a transfer, so you should investigate this option thoroughly before requesting a transfer. When you transfer funds from another 529 qualified tuition program, the Internal Revenue Service requires the Program Manager to assume that the transfer consists solely of earnings until it receives a statement from the program from which the funds were distributed identifying the contributions and earnings portions of the distribution. See "Exhibit B – Tax Information."

The Illinois Department of Revenue has stated (in informal guidance that is not binding on the Department) that in the case of a rollover, the amount of the rollover that is treated as a return of the original contribution to the prior qualified tuition program (but not the earnings portion of the rollover) is eligible for the deduction for Illinois individual income tax purposes. You should consult your tax advisor under such circumstances.

Can I Make Contributions From a UGMA or UTMA Custodial Account?

A custodian for a minor under a State UGMA or UTMA statute may use the assets held in the UGMA or UTMA account to open an Account in the Program, subject to the laws of the state under which the UGMA or UTMA account was established. If the custodian of a UGMA or UTMA account establishes an Account, the minor for whose benefit the assets are held must be designated as the Beneficiary of the Account, and the custodian will not be permitted to change the Beneficiary of the Account. When the Beneficiary reaches the age of majority under the applicable UGMA or UTMA statute and the custodianship terminates, the Beneficiary will become the sole Account Owner with complete control over the Account. The custodian is required to notify the Program Manager when the minor attains the age of majority under the applicable UGMA or UTMA statute. The conversion of non-cash UGMA or UTMA assets to cash for contribution to an Account may be a taxable transaction. Before liquidating assets in a UGMA or UTMA account in order to contribute them to an Account, you should review the potential tax and legal consequences with your tax and legal advisors. Moreover, neither the Treasurer, the Program Manager, the Distributor, nor the Program assumes responsibility to insure, or will incur any liability for failing to insure, that a custodian applies assets held under a UGMA or UTMA custodianship for proper purposes.

Can I Contribute to an Account Through the Bright Directions 529 College Savings Visa® Card?

The Bright Directions 529 College Savings Visa® Card allows cardholders to earn rewards that are contributed to a designated Account. Bright Directions 529 College Savings Visa® Card cardholders earn a 1.529% reward on qualifying purchases that accumulates and is automatically contributed to the Account the cardholder designates. A cardholder may designate up to three (3) Accounts into which rewards can be contributed. If you designate more than one Account, rewards Contributions will be split equally among the Accounts you designate.

If you are a cardholder and your Bright Directions 529 College Savings Visa® Card account is in good standing, after you have accumulated at least $50 in rewards, those amounts will be automatically transferred at the end of each calendar quarter to the Account(s) you designate. Rewards can only be redeemed as a contribution to the designated Account(s) and have no cash value except as a Contribution, or as described in the "Rewards Program" Terms and Conditions. The Bright Directions 529 College Savings Visa® Card is offered by Union Bank & Trust Company. This Program Disclosure Statement is not intended to provide detailed information about the card and the rewards program. The card and the rewards program are administered in accordance with the terms of the credit card agreement and "Rewards Program" Terms and Conditions, as they may be amended from time to time. For additional information, please visit www.brightdirections.com.

Can Non-Owners Make Contributions to an Account?

Currently, anyone can make Contributions to an Account, including the Beneficiary. The Illinois Department of Revenue has stated (in a non-binding general information letter) that the Illinois State income tax deduction is available to any individual who contributes to an Account and files an Illinois State income tax return. However, the Account Owner maintains control over all Contributions to an Account, including the right to change Portfolios, change Beneficiaries, and make withdrawals. In addition, under current law, the federal gift and generation-skipping transfer tax consequences of a Contribution by anyone other than the Account Owner are unclear. Accordingly, if a person other than the Account Owner wishes to make a Contribution to an Account, such person should consult his or her own tax or legal advisors as to the consequences of such a Contribution.

What Are the Limits on the Amount I Can Contribute?

A minimum Contribution is not required, nor do you have to contribute to your Account every year. The Program has no minimum initial and subsequent required Contributions to an Account.

The Maximum Account Balance is $320,000.

Accounts that have reached the Maximum Account Balance may continue to accrue earnings, but additional Contributions will not be accepted and will be returned. Additional Contributions may be made in the future if the Account value falls below the Maximum Account Balance or the Maximum Account Balance is increased.

The Maximum Account Balance of $320,000 is based on the aggregate market value of the Account(s) for a Beneficiary and not on the aggregate Contributions made to the Account(s). Contributions can not be made to any Account for a Beneficiary if the aggregate Account balance, including the proposed Contributions, for that Beneficiary (including all Program Accounts for the same Beneficiary and any accounts under other Illinois Section 529 Programs, including the Bright Start College Savings Program and College Illinois!, regardless of Account Owner) would exceed the "Maximum Account Balance" limit. The Treasurer will periodically review and adjust the Maximum Account Balance as needed.

What Happens to Contributions Over the Maximum?

The Program Manager will notify you if you have made a Contribution to an Account that exceeds the Maximum Account Balance. The Program Manager will not knowingly accept and may reject Contributions in excess of the Maximum Account Balance. If the Program Manager determines that you have made Contributions in excess of the Maximum Account Balance, the excess Contributions and any earnings thereon will be promptly refunded and may be treated as a Nonqualified Withdrawal that is subject to income tax and a federal penalty tax.

INVESTMENT PORTFOLIOS

How Are My Program Contributions Invested?

Contributions to an Account, less the Program's initial setup fee and any applicable sales charges under Fee Structure A, C, E, or F, will be invested in the Portfolio or Portfolios you select on the Enrollment Form. The Portfolios may invest in one or more mutual funds or other investment vehicles as directed by the Treasurer in accordance with the Treasurer's Investment Policy Statement. These may include investment funds investing in domestic equity, international equity, real estate, fixed income, money market securities, or other asset classes.

The Portfolios described in this Program Disclosure Statement allow Account Owners to direct funds to specific investment categories and strategies established by the Treasurer and as set forth in the Investment Policy Statement.

<u>Requesting Additional Information:</u> Information on the various Portfolios and a summary description of the underlying mutual funds is included in "Exhibit C – Investment Portfolios and Underlying Fund Information." Additional information regarding the underlying mutual funds' investment strategies and their related risks can be found in the prospectus and statement of additional information ("SAI") of each underlying mutual fund. For more information about the underlying mutual funds, including copies of their prospectuses, SAIs, and annual reports, contact your broker or financial advisor, or visit the Program's website at: www.brightdirections.com.

The Program has the following Portfolios available:

- 3 Age-Based Portfolios;
- 7 Target Portfolios;
- 26 Individual Fund Portfolios; and
- 9 Female- and Minority-Owned Portfolios.

The three Age-Based Portfolios are designed to reduce the Account's exposure to principal loss the closer the Beneficiary gets to college; the seven Target Portfolios keep the same asset allocation between equity, real estate, fixed income, and money market securities over the life of your Account; the Individual Fund Portfolios each invest in a single mutual fund; and the Female- and Minority-Owned Portfolios utilize underlying investment funds which are managed by companies that are owned by women or minorities. The Age-Based, Target, Individual Fund, and Female- and Minority-Owned Portfolios have been designed by the Treasurer, the Program Manager, and Wilshire Associates.

Under federal law, neither you nor the Beneficiary of your Account may exercise investment discretion, directly or indirectly, over Contributions to an Account or any earnings on such Contributions. As a result, you will not be able to select the securities in which your Account is invested. Instead, Contributions will be invested in the Portfolio or Portfolios you select in your Enrollment Form in accordance with the Investment Policy Statement. Generally, an Account Owner may only change the Portfolio or Portfolios in which their Account is invested once per calendar year or upon a change of Beneficiary. However, during calendar year 2009, you may change the Portfolio or Portfolios in which your Account is invested twice, or at any time upon a change of Beneficiary. If an Account Owner has multiple accounts in the Program for the same Beneficiary or multiple accounts in the Program and the Bright Start College Savings Program for the same Beneficiary, the Account Owner may change the Portfolios in all of these accounts without tax consequences, so long as the changes to all of the accounts are made at the same time and no more frequently than once per calendar year (twice per calendar year in 2009) or upon a change of Beneficiary.

In allocating Contributions to the Portfolios, the Program Manager will follow the Investment Policy Statement, a copy of which may be obtained from the Treasurer's Office or viewed or downloaded on the Treasurer's website at www.treasurer.il.gov, provided that a portion of each Portfolio may be held in cash or cash equivalents to provide flexibility in meeting redemptions, expenses, and the timing of new investments.

The Treasurer may amend or supplement the Investment Policy Statement at any time which may change the Portfolios, the asset allocation within the Portfolios, and the underlying investment funds in which the Portfolios invest, including the underlying mutual funds in which the Individual Fund Portfolios invest.

Age-Based Portfolios

You may choose from 3 Age-Based Options:

- Age-Based Aggressive Option
- Age-Based Growth Option
- Age-Based Balanced Option

The Age-Based Portfolios generally invest in a mix of equity, real estate, fixed income, and money market funds allocated based on the current age of the Beneficiary. The Age-Based Portfolios adjust over time so that as the Beneficiary nears college age each Age-Based Portfolio's allocation between equity, real estate, fixed income, and money market funds becomes more conservative relative to the allocation in earlier years. For each Age-Based Option, the Bright Directions® College Savings Program will automatically exchange assets from one Portfolio to another during the month the Beneficiary attains the next age-band based on the below schedule.

In consultation with your broker or other financial advisor, within the Age-Based Portfolios you may choose from among an aggressive, growth, or balanced asset allocation based on, among other factors, your investment goals and objectives, and your tolerance for market volatility and investment risk. For example, the Age-Based Aggressive Option is invested primarily in equity investment funds when the Beneficiary is young. By contrast, the Age-Based Balanced Option is modestly weighted towards equity funds when the Beneficiary is young. For the detailed asset allocation, mix of underlying funds, and the age ranges for each of the Portfolios, see "Exhibit C – Investment Portfolios and Underlying Fund Information." The current targeted asset allocation of each Age-Based Portfolio is set forth in the following table.

	Bright Directions® Age-Based Options		
Beneficiary Age	**Aggressive Option**	**Growth Option**	**Balanced Option**
0 – 8 years	**Bright Directions® Fund 100** 72% Domestic Equity 3% Real Estate 25% International Equity	**Bright Directions® Fund 80** 58% Domestic Equity 2% Real Estate 20% International Equity 20% Fixed Income	**Bright Directions® Fund 60** 43% Domestic Equity 2% Real Estate 15% International Equity 40% Fixed Income
9 – 12 years	**Bright Directions® Fund 80** 58% Domestic Equity 2% Real Estate 20% International Equity 20% Fixed Income	**Bright Directions® Fund 60** 43% Domestic Equity 2% Real Estate 15% International Equity 40% Fixed Income	**Bright Directions® Fund 40** 28% Domestic Equity 2% Real Estate 10% International Equity 60% Fixed Income
13 – 16 years	**Bright Directions® Fund 60** 43% Domestic Equity 2% Real Estate 15% International Equity 40% Fixed Income	**Bright Directions® Fund 40** 28% Domestic Equity 2% Real Estate 10% International Equity 60% Fixed Income	**Bright Directions® Fund 20** 13.5% Domestic Equity 1.5% Real Estate 5% International Equity 60% Fixed Income 20% Money Market
17 – 20 years	**Bright Directions® Fund 40** 28% Domestic Equity 2% Real Estate 10% International Equity 60% Fixed Income	**Bright Directions® Fund 20** 13.5% Domestic Equity 1.5% Real Estate 5% International Equity 60% Fixed Income 20% Money Market	**Bright Directions® Fund 10** 7.5% Domestic Equity 2.5% International Equity 50% Fixed Income 40% Money Market
21 and over	**Bright Directions® Fund 20** 13.5% Domestic Equity 1.5% Real Estate 5% International Equity 60% Fixed Income 20% Money Market	**Bright Directions® Fund 10** 7.5% Domestic Equity 2.5% International Equity 50% Fixed Income 40% Money Market	**Bright Directions® Fixed Income Fund** 50% Fixed Income 50% Money Market

Target Portfolios

The Target Portfolios are asset allocation portfolios that invest in a set or "static" mix of equity, real estate, fixed income, or money market funds. The allocation between equity, real estate, fixed income, and money market investments within the Target Portfolios does not change as the Beneficiary gets older.

The seven Target Portfolios, ranging from the most aggressive to conservative, are briefly described below. For a detailed asset allocation and the composition of the underlying mutual funds, see "Exhibit C – Investment Portfolios and Underlying Fund Information." The current targeted asset allocations or investment mixes are presented in the following table.

	Domestic Equity	Real Estate	International Equity	Fixed Income	Money Market
Fund 100	72%	3%	25%	-	
Fund 80	58%	2%	20%	20%	
Fund 60	43%	2%	15%	40%	
Fund 40	28%	2%	10%	60%	
Fund 20	13.5%	1.5%	5%	60%	20%
Fund 10	7.5%		2.5%	50%	40%
Fixed Income Fund				50%	50%

Fund 100 seeks maximum capital appreciation by investing 97% in domestic and international equity funds, with the remaining 3% in real estate funds. This strategy may be appropriate for investors with longer time horizons and who are comfortable with an increased level of risk in an effort to obtain potentially higher long-term returns.

Fund 80 seeks a high level of capital appreciation and some income by investing 78% in domestic and international equity funds, 20% in fixed income investments, with the remaining 2% in real estate funds.

Fund 60 seeks moderate capital appreciation and income by investing 60% in domestic equity, international equity, and real estate funds with the remaining 40% invested in fixed income investments.

Fund 40 seeks moderate income and capital appreciation by investing 60% in fixed income funds, with the remaining 40% invested in domestic equity, international equity and real estate funds.

Fund 20 seeks income and some capital appreciation by investing 80% in fixed income and money market investments, with the remaining 20% invested in domestic equity, international equity, and real estate funds.

Fund 10 seeks income and some capital appreciation by investing 90% in fixed income and money market investments, with the remaining 10% in domestic and international equity funds.

Fixed Income Fund seeks to preserve your principal investment with less volatility than an all bond portfolio, while providing modest current income by investing 50% in money market mutual funds and 50% in fixed income funds.

Attached to this Program Disclosure Statement as "Exhibit C – Investment Portfolios and Underlying Fund Information" is a listing of the various mutual funds the Treasurer has chosen and the relative weighting of each investment within the Age-Based and Target Portfolios. The actual investments of any of these Portfolios may vary. The Program Manager will rebalance the investments in each Portfolio in the underlying investments on an ongoing basis.

Individual Fund Portfolios

The Program also offers 26 Individual Fund Portfolios. You can find more detailed information on each underlying mutual fund in **"Exhibit C – Investment Portfolios and Underlying Fund Information" and in the prospectuses for each mutual fund which are available at www.brightdirections.com.**

Each Individual Fund Portfolio is invested solely in shares of a single underlying mutual fund. In consultation with your broker or other financial advisor, you may allocate your Account balance among one or more Individual Fund Portfolios according to your investment objectives, investment time horizon, and risk tolerance. Since the Individual Fund Portfolios invest in a single mutual fund, their performance is based solely on the performance of the individual mutual funds in which they are invested. Consequently, the performance of each of the Individual Fund Portfolios may be more volatile than the Target or Age-Based Portfolios.

Account Owners do not own shares of the underlying mutual funds directly, but rather own shares in a Portfolio of the Program. The investment objectives, strategies, and risks of the underlying mutual funds in which each Individual Fund Portfolio is invested are more fully described in "Exhibit C – Investment Portfolios and Underlying Fund Information" and the prospectus for each mutual fund.

The Individual Fund Portfolios are briefly described as follows:

Money Market 529 Portfolio

BGI Institutional Money Market 529 Portfolio – invests solely in the BGI Institutional Money Market Fund (Instl. Class). The investment objective of the Fund is to seek a high level of income consistent with liquidity and the preservation of capital. By following investment guidelines for issuer diversification, credit quality and maturity structure, the Fund seeks to minimize risk, while providing liquidity.

Fixed Income 529 Portfolios

BlackRock Inflation Protected Bond 529 Portfolio – invests solely in the BlackRock Inflation Protected Bond Portfolio (Instl. Class). The investment objective of the Fund is to seek to maximize real return, consistent with preservation of real capital and prudent investment management. Under normal circumstances, the Fund invests at least 80% of its assets in inflation-indexed bonds of varying maturities issued by the U.S. and non-U.S. governments, their agencies or instrumentalities, and U.S. and non-U.S. corporations. The Fund maintains an average portfolio duration that is within ±20% of the duration of the Barclays Capital Global Real: U.S. TIPS Index (the benchmark). The Fund may invest up to 20% of its assets in non-investment grade bonds (high yield or junk bonds) or securities of emerging market issuers. The Fund may also invest up to 20% of its assets in non-dollar denominated securities of non-U.S. issuers, and may invest without limit in U.S. dollar denominated securities of non-U.S. issuers.

PIMCO Short-Term 529 Portfolio – invests solely in the PIMCO Short-Term Fund (Instl. Class). The Fund seeks maximum current income, consistent with preservation of capital and daily liquidity. The Fund focus is money market instruments and short maturity fixed income instruments. The average portfolio duration is ≤ 1 year. Credit quality is B to Aaa; maximum 10% of total assets below Baa.

PIMCO Low Duration 529 Portfolio – invests solely in the PIMCO Low Duration Fund (Instl. Class). The Fund seeks maximum total return, consistent with preservation of capital and prudent investment management. The Fund focus is short maturity fixed income instruments. The average portfolio duration is 1 – 3 years. Credit quality is B to Aaa; maximum 10% of total assets below Baa.

PIMCO Total Return 529 Portfolio – invests solely in the PIMCO Total Return Fund (Instl. Class). The Fund seeks maximum total return, consistent with preservation of capital and prudent investment management. The Fund focus is intermediate maturity fixed income instruments. The average portfolio duration of this Fund normally varies within two years (plus or minus) of the duration of the Lehman Brothers Aggregate Index (name changed to Barclays Capital U.S. Aggregate Bond Index November 1, 2008), which as of June 30, 2008 was 4.68 years. Credit quality B to Aaa; maximum 10% of total assets below Baa.

Calvert Income 529 Portfolio – invests solely in the Calvert Income Fund (Instl. Class). The Fund seeks to maximize income, to the extent consistent with preservation of capital, through investment in bonds and other income producing securities.

The Fund uses an active strategy, seeking relative value to earn incremental income. Typically, at least 65% of Fund net assets are in investment-grade debt securities. The remaining 35% of Fund net assets may be in non-investment grade securities. These securities involve greater risk of default or price declines (due to changes in the issuers' creditworthiness) than investment grade debt securities.

Balanced 529 Portfolio

T. Rowe Price Balanced 529 Portfolio – invests solely in the T. Rowe Price Balanced Fund (Inv. Class). The Fund seeks to provide capital growth, current income, and preservation of capital through a portfolio of stocks and fixed-income securities. The Fund normally invests approximately 60% of total assets in U.S. and foreign common stocks and 40% in fixed income securities.

Real Estate 529 Portfolios

T. Rowe Price Real Estate 529 Portfolio – invests solely in the T. Rowe Price Real Estate Fund (Inv. Class). The Fund seeks to provide long-term growth through a combination of capital appreciation and current income. The Fund will invest at least 80% of net assets in the equity of securities of companies that derive at least 50% of revenue or profits from, or commit at least 50% of assets to, real estate activities. The Fund is likely to maintain a significant portion of assets in real estate investment trusts (REITs). The Fund will not own real estate directly and will have no restrictions on the size of companies selected for investment.

ING Global Real Estate 529 Portfolio – invests solely in the ING Global Real Estate Fund (Class I shares). The Fund seeks to provide investors with high total return, consisting of capital appreciation and current income. Under normal market conditions, the Fund will invest at least 80% of its net assets in a portfolio of equity securities of companies that are principally engaged in the real estate industry. In selecting investments for the Fund, the Sub-Adviser will select companies that derive at least 50% of their total revenues or earnings from owning, operating, developing and/or managing real estate. This portion of the portfolio will have investments located in a number of different countries, including the U.S. As a general matter, the Fund expects these investments to be in common stocks of large-, mid- and small-sized companies, including real estate investment trusts ("REITs"). The Fund may invest in companies located in countries with emerging securities markets.

Socially Responsible 529 Portfolio

Calvert Social Investment Equity 529 Portfolio – invests solely in the Calvert Social Investment Equity Fund (Instl. Class). The Fund seeks growth of capital through investment in stocks of issuers in industries believed to offer opportunities for potential capital appreciation and which meet the Fund's investment and social criteria.

The Fund invests primarily in the common stocks of U.S. large-cap companies, although it may have other investments, including foreign stocks and mid-cap stocks. The Fund defines large-cap companies as those whose market capitalization falls within the range of the Standard & Poor's ("S&P") 500 Index. Under normal circumstances, the Fund seeks to have a weighted average market capitalization of at least $20 billion.

The Fund seeks to invest in companies and other enterprises that demonstrate positive environmental, social and governance performance as they address corporate responsibility and sustainability challenges. Calvert believes that there are long-term benefits in an investment philosophy that attaches material weight to the environment, workplace relations, human rights, indigenous peoples' rights, community relations, product safety and impact, and corporate governance and business ethics.

Domestic (U.S.) Equity 529 Portfolios

American Century Value 529 Portfolio – invests solely in the American Century Value Fund (Instl. Class). The Fund seeks long-term capital growth. Income is a secondary objective.

In selecting stocks for the Fund, the portfolio managers look for companies of all sizes whose stock price may not reflect the company's value. The managers attempt to purchase the stocks of these undervalued companies and hold each stock until the price has increased to, or is higher than, a level the managers believe more accurately reflects the fair value of the company. The Fund is a multi-capitalization fund that invests in companies of all sizes.

Eaton Vance Large-Cap Value 529 Portfolio – invests solely in the Eaton Vance Large-Cap Value Fund (Instl. Shares). The Fund seeks total return. The Fund invests primarily in value stocks of large-cap companies.

Under normal market conditions, the Fund invests primarily in value stocks of large-cap companies. Value stocks are common stocks that, in the opinion of the investment adviser, are inexpensive or undervalued relative to the overall stock market. The portfolio manager generally considers large-cap companies to be those companies having market capitalizations equal to or greater than the median capitalization of companies included in the Russell 1000 Value Index. The Fund normally invests at least 80% of its net assets in equity securities of large-cap companies. The Fund primarily invests in dividend-paying stocks. The Fund may invest in convertible debt securities (including securities rated below investment grade). The Fund may also invest in real estate investment trusts for income.

T. Rowe Price Equity Income 529 Portfolio – invests solely in the T. Rowe Price Equity Income Fund (Inv. Class). The Fund seeks to provide substantial dividend income as well as long-term growth of capital through investments in the common stocks of established companies.

The Fund will normally invest at least 80% of its net assets in common stocks, with 65% in the common stocks of well-established companies paying above average dividends. The Fund typically employs a "value" approach in selecting investments and the Fund's research team seeks companies that appear to be undervalued by various measures and may be temporarily out of favor but have good prospects for capital appreciation and dividend growth.

American Century Equity Growth 529 Portfolio – invests solely in the American Century Equity Growth Fund (Instl. Class). The Fund seeks long-term capital growth. In selecting stocks for the Fund, the portfolio managers select primarily from large publicly traded U.S. companies. The managers use quantitative models to construct the portfolio of stocks for the Fund. The Fund considers large capitalization companies to be those with a market capitalization greater than $2 billion.

Northern Institutional Equity Index 529 Portfolio – invests solely in the Northern Institutional Equity Index Fund. The Fund seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the Standard & Poor's 500® Composite Stock Price Index ("S&P 500® Index"). The S&P 500 Index is an unmanaged index which includes 500 companies operating across a broad spectrum of the U.S. economy, and its performance is widely considered representative of the U.S. stock market as a whole. The Fund is passively managed, which means it tries to duplicate the investment composition and performance of the S&P 500 Index using computer programs and statistical procedures. Because the Fund will have fees and transaction expenses (while the S&P 500 Index has none), returns are likely to be below those of the S&P 500 Index.

T. Rowe Price Instl. Large-Cap Growth 529 Portfolio – invests solely in the T. Rowe Price Instl. Large-Cap Growth Fund. The Fund seeks to provide long-term capital appreciation through investments in common stocks of growth companies.

In taking a growth approach to investment selection, the fund will normally invest at least 80% of net assets in the common stocks of large companies. A large company is defined as one whose market cap is larger than the median market cap of companies in the Russell 1000 Growth Index, a widely used benchmark of the largest domestic growth stocks. The Fund generally looks for companies with an above-average rate of earnings and cash flow growth and a lucrative niche in the economy that gives them the ability to sustain earnings momentum even during times of slow economic growth.

American Century Growth 529 Portfolio – invests solely in the American Century Growth Fund (Instl. Class). The Fund seeks long-term capital growth. The portfolio managers look for stocks of companies they believe will increase in value over time. In implementing this strategy, the portfolio managers make their investment decisions based primarily on their analysis of individual companies, rather than on broad economic forecasts. Management of the Fund is based on the belief that, over the long term, stock price movements follow growth in earnings, revenues and/or cash flow. The portfolio managers use a variety of analytical research tools and techniques to identify the stocks of larger-sized companies that meet their investment criteria. Under normal market conditions, the Fund's portfolio will primarily consist of securities of companies demonstrating business improvement. Investments in growth stocks may involve special risks and their prices may fluctuate more dramatically than the overall stock market.

T. Rowe Price Extended Equity Market Index 529 Portfolio – invests solely in the T. Rowe Price Extended Equity Market Index Fund (Inv. Class). The Fund seeks to match the performance of the U.S. stocks not included in the S&P 500, which are primarily small- and mid-capitalization stocks. The Fund uses the S&P Completion Index to represent this universe. The Fund uses a sampling strategy, investing substantially all of its assets in a group of stocks representative of the S&P Completion Index. The Fund does not attempt to fully replicate the index by owning each of the stocks in it. The index includes approximately 4,000 stocks.

American Century Vista 529 Portfolio – invests solely in the American Century Vista Fund (Instl. Class). The Fund seeks long-term capital growth. The portfolio managers primarily look for stocks of medium-sized and smaller companies they believe will increase in value over time, using an investment strategy developed by American Century. In implementing this strategy, the portfolio managers make their investment decisions based primarily on their analysis of individual companies, rather than on broad economic forecasts. Management of the Fund is based on the belief that,over the long term, stock price movements follow growth in earnings and revenues. The portfolio managers' principal analytical technique involves the identification of companies with earnings and revenues that are not only growing, but growing at an accelerating pace. The Fund invests in mid-sized and smaller companies which may present greater opportunities for capital growth than larger companies, but may be more volatile and subject to greater risk. The Fund's portfolio turnover may be high.

Northern Small Cap Value 529 Portfolio – invests solely in the Northern Small Cap Value Fund. The Fund seeks to provide long-term capital appreciation. Any income received is incidental to this objective.

In seeking long-term capital appreciation, the Fund will invest, under normal circumstances, at least 80% of its net assets in equity securities of small capitalization companies. Small capitalization companies generally are considered to be those whose market capitalization is, at the time the Fund makes an investment, within the range of the market capitalization of companies in the Russell 2000 Value Index. The Fund is not limited to the stocks included in the Russell 2000 Value Index and may invest in other stocks that meet the investment adviser's criteria discussed in the Fund's prospectus. Using quantitative analysis (evaluation of financial data), the investment management team buys small capitalization stocks of companies believed to be worth more than is indicated by current market prices.

Northern Institutional Small Company Index 529 Portfolio – invests solely in the Northern Institutional Small Company Index Fund. The Fund seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the Russell 2000 Index.

The Russell 2000 Index is a market value-weighted index which includes stocks of the smallest 2,000 companies in the Russell 3000® Index. The Russell 3000 Index consists of stocks of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. The Russell 2000 Index is widely considered representative of smaller company stock performance as a whole. The Fund is passively managed, which means it tries to duplicate the investment composition and performance of the Russell 2000 Index by using computer programs and statistical procedures. Because the Fund will have fees and transaction expenses (while the Russell 2000 Index has none), returns are likely to be below those of the Russell 2000 Index.

Delaware Small Cap Core 529 Portfolio – invests solely in the Delaware Small Cap Core Fund (Instl. Class). The Fund seeks long-term capital appreciation. The Fund invests primarily in stocks of small companies that are believed to have a combination of attractive valuations, growth prospects, and strong cash flows. Under normal conditions, at least 80% of the Fund's net assets will be invested in small-cap companies. The Fund considers a company to be "small cap" if its market capitalization is within a range greater than the lower capitalization threshold of the Russell 2000 Index up to a market capitalization of $3 billion.

William Blair Small Cap Growth 529 Portfolio – invests solely in the William Blair Small Cap Growth Fund (Class I Shares). The Fund seeks long-term capital appreciation. Under normal market conditions, the Fund invests at least 80% of net assets (plus the amount of any borrowings for investment purposes) in stocks of small cap companies. The Fund invests primarily in a diversified portfolio of common stocks of small domestic growth companies that are expected to experience solid growth in earnings. For purposes of the Fund, the Fund considers a company to be a small-capitalization company if it has a market capitalization, at the time of purchase, no larger than the largest capitalized company included in the Russell 2000 Index. The Russell 2000 Index is a widely recognized, unmanaged index of common stocks that measures the performance of the 2,000 smallest companies in the Russell 3000 Index. The companies in the Russell 2000 Index are considered representative of small-sized companies. The Fund also invests in securities of micro-cap companies (i.e. those with market capitalizations of $300 million or less at the time of the Fund's investment).

International Equity 529 Portfolios

AllianceBernstein International Value 529 Portfolio – invests solely in the AllianceBernstein International Value Fund (Advisor Class). The Fund seeks long-term growth of capital. The Fund invests primarily in a diversified portfolio of equity securities of established companies selected from more than 40 industries and more than 40 developed and emerging market countries. The Fund normally invests in companies in at least three countries other than the United States. These countries currently include the developed nations in Europe and the Far East, Canada, Australia and emerging market countries worldwide. The Fund invests in companies that are determined by Bernstein to be undervalued, using a fundamental value approach. In selecting securities for the Fund's portfolio, Bernstein uses its fundamental and quantitative research to identify companies whose long-term earnings power is not reflected in the current market price of their securities. Bernstein's fundamental value approach to equity investing generally defines value as the relationship between a security's current price and its intrinsic economic value, as measured by long-term earnings prospects.

Northern Institutional International Equity Index 529 Portfolio – invests solely in the Northern Institutional International Equity Index Fund. The Fund seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the MSCI EAFE® Index. The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States and Canada. As of December 31, 2007, the MSCI EAFE Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

Under normal circumstances, the Portfolio will invest substantially all (and at least 80%) of its net assets in the equity securities included in the MSCI EAFE Index, in weightings that approximate the relative composition of the securities contained in the MSCI EAFE Index, and in MSCI EAFE Index futures approved by the Commodity Futures Trading Commission ("CFTC"). The Fund is passively managed, which means it tries to duplicate the investment composition and performance of the MSCI EAFE Index by using computer programs and statistical procedures. Because the Fund will have fees and transaction expenses (while the MSCI EAFE Index has none), returns are likely to be below those of the MSCI EAFE Index.

Oppenheimer International Growth 529 Portfolio – invests solely in the Oppenheimer International Growth Fund (Class Y Shares). The Fund seeks long-term capital appreciation. The Fund mainly invests in the common stock of growth companies that are domiciled or that have their primary operations outside of the United States. It may invest 100% of its assets in securities of foreign companies. The Fund may invest in emerging markets as well as in developed markets throughout the world. From time to time it may place greater emphasis on investing in one or more particular regions such as Asia, Europe or Latin America. Under normal market conditions the Fund will: invest at least 65% of its total assets in common and preferred stocks of issuers in at least three different countries outside of the United States, and, emphasize investments in common stocks of issuers that the portfolio manager considers to be "growth" companies.

For additional information on the individual mutual funds underlying the Individual Fund Portfolios, see "Exhibit C – Investment Portfolios and Underlying Fund Information." The descriptions above are taken from the most recent prospectuses (dated prior to March 15, 2009) of the relevant funds and are intended to provide general information regarding the mutual funds' respective investment objectives. You should consult each mutual fund's prospectus for more complete information. **You can obtain the prospectus for any of the funds by contacting your broker or financial advisor, or from the program's web site at www.brightdirections.com.**

Female- and Minority-Owned Portfolios

The Program also offers 9 Female- and Minority-Owned Portfolios. The underlying investment funds are managed by female or minority-owned investment advisors. These portfolios promote racial, ethnic, and gender diversity among the investment managers the Program utilizes. Since certain of the Female- and Minority-Owned Portfolios invest in a single underlying mutual fund, their performance is based solely on the performance of the individual mutual funds in which they are invested. Consequently, the performance may be more volatile than the Age-Based and Target Portfolios. The investment objectives, strategies, and risks of the underlying mutual funds in which each Portfolio is invested are more fully described in "Exhibit C – Investment Portfolios and Underlying Fund Information."

The Female- and Minority-Owned Portfolios are briefly described as follows:

Female- and Minority-Owned Growth Portfolio – seeks capital appreciation by investing its assets in the mutual funds described below and according to the following percentages:

Sit Dividend Growth Fund	68%
Ariel Fund	13%
NCM Capital Mid-Cap Growth Fund	9%
Forward Small Cap Equity Fund	5%
Adelante U.S. Real Estate Securities Fund	3%
FMA Small Company Portfolio	2%
TOTAL	100%

Earnest Partners Fixed Income 529 Portfolio – invests solely in the Earnest Partners Fixed Income Trust (Instl. Class). The Fund seeks to preserve capital and maximize total return through active management of investment-grade fixed income securities. The Fund pursues its investment objective by investing in market sectors or particular securities that the Fund's investment advisor, EARNEST Partners, LLC, believes are undervalued due to market inefficiencies. Portfolio duration will vary between 2 and 7 years, which is currently approximately equivalent to a 3 to 12 year average life. At least 90% of the portfolio will be in bonds rated investment grade or better at all times by a nationally recognized securities rating organization or, if no rating exists, of equivalent quality in the determination of the advisor.

Sit Dividend Growth 529 Portfolio – invests solely in the Sit Dividend Growth Fund (Class I Shares). The Fund primarily seeks to provide current income that exceeds the dividend yield of the S&P 500 Index and that grows over a period of years. Secondarily the Fund seeks long-term capital appreciation.

The Fund seeks to achieve its objectives by investing, under normal market conditions, at least 80% of its net assets in dividend-paying common stocks. The Fund may invest the balance of its assets in preferred stocks, convertible bonds, and U.S. Treasury securities. The Adviser invests in dividend paying growth-oriented companies it believes exhibit the potential for growth and growing dividend payments. The Adviser believes that a company's earnings growth is a primary determinant of its potential long-term return, and that a record of increasing dividend payments is a strong indicator of financial health and growth prospects. By investing in dividend paying stocks it is anticipated that the holdings will tend to be in large to medium-sized companies (companies with market capitalizations in excess of $2 billion). The Fund may invest up to 20% of its net assets in securities of issuers domiciled outside the U.S.

Payden U.S. Growth Leaders 529 Portfolio – invests solely in the Payden U.S. Growth Leaders Fund. The Fund seeks long-term capital appreciation. The Fund invests primarily in common stocks of publicly traded U.S. growth companies that are financially strong, well-established and world leaders in their industries. The Fund will generally choose its investments from the largest 1,000 U.S. companies ranked by market capitalization (total market price of outstanding equity securities). The Fund invests principally in securities of U.S. companies, but may invest up to 20% of its total assets in securities of foreign companies, including companies in emerging markets.

Ariel 529 Portfolio – invests solely in the Ariel Fund. The Fund seeks long-term capital appreciation. The Fund invests primarily in the stocks of companies with market capitalizations between $1 billion and $5 billion. The Fund invests for appreciation, not income. The Fund seeks stocks whose underlying value should increase over time. By concentrating on long-term investing, Ariel believes that its patient approach allows the Fund to take advantage of buying opportunities that frequently arise from Wall Street's excessive focus on the short-term.

NCM Capital Mid-Cap Growth 529 Portfolio – invests solely in the NCM Capital Mid-Cap Growth Fund. The Fund's investment objective is long-term capital appreciation. The Fund pursues its investment objective by investing primarily in equity securities of medium-capitalization ("mid-cap") U.S. companies. The Fund considers a mid-cap company to be one that has market capitalization, measured at the time the Fund purchases the security, within the range of $1 billion to $12 billion. The Fund's investments in mid-cap companies will be primarily in equity securities of such companies, such as common and preferred stock and securities convertible into common stock. The Fund intends to invest in a diversified group of mid-cap companies. Under normal market conditions, the Fund will invest at least 80% of the value of its total net assets in equity securities of mid-cap companies.

FMA Small Company 529 Portfolio – invests solely in the FMA Small Company Portfolio (Instl. Shares). The Fund seeks maximum, long-term total return, consistent with reasonable risk to principal, by investing in common stocks of smaller companies in terms of revenues and market capitalization. The Fund invests primarily (at least 80% of its net assets) in common stocks of domestic companies that are smaller or less established in terms of revenues and have market capitalizations, at the time of initial purchase, that are less than $2.5 billion. At any given time, the Fund may own a diversified group of stocks in several industries. The Fund invests mainly in common stocks, but it may also invest in other types of equity securities. Fiduciary Management Associates, LLC ("FMA") employs a relative value philosophy to analyze and select investments that have attractive valuations as well as potential catalysts that are expected to lead to accelerated earnings and cash flow growth. Due to its investment strategy, the Fund may buy and sell securities frequently.

Forward Small Cap Equity 529 Portfolio – invests solely in the Forward Small Cap Equity Fund (Instl. Class). The Fund seeks to achieve high total return. The Fund anticipates that its investment returns are likely to be in the form of capital appreciation rather than income, since small capitalization companies often do not pay regular dividends. There is no guarantee that the Fund will achieve its objective.

The Forward Small Cap Equity Fund invests primarily in the equity securities (common and preferred stock and securities convertible into common or preferred stock) of companies that have small market capitalizations and offer future growth potential. The Fund will invest at least 80% of its net assets plus borrowings for investment purposes, if any, in the equity securities of small capitalization companies. For purposes of the Fund, small capitalization companies generally are companies with market capitalizations of up to $2.5 billion at the time of initial purchase. However, small capitalization companies may include any company with a market capitalization equal to or less than any company in the Russell 2000 Index at time of purchase so long as the purchase of those securities would not cause the average weighted market capitalization of the Fund to exceed $2.5 billion. The Fund may also invest up to 20% of its net assets plus borrowings for investment purposes, if any, in foreign investments and up to 5% of its net assets plus borrowings for investment purposes, if any, in securities in emerging markets.

Adelante U.S. Real Estate Securities 529 Portfolio – invests solely in the Adelante U.S. Real Estate Securities Fund (Class Y Shares). The Fund's objective is total return from a combination of dividend income and long-term growth. The Fund seeks to achieve its objective by investing at least 85% of its assets in equity securities of companies principally engaged in the U.S. real estate industry.

The Fund focuses on what Adelante has identified as the core sectors of the U.S. real estate market - office, industrial, retail and multi-family. The Fund may also invest in other property sectors, such as healthcare, hotel, manufactured housing and storage. A substantial portion of the Fund's portfolio at any given time will normally be invested in real estate investment trusts ("REITs"). Furthermore, the Fund expects under normal circumstances to invest principally in what are known as "equity REITs". An equity REIT owns or leases real estate and realizes a return on its holdings primarily from rental income although it may also realize gains (or losses) by selling properties in its portfolio.

The Fund expects its investments to be primarily in companies contained in the Dow Jones Wilshire REIT Index (the "DJ Wilshire Index") having market capitalizations that fall in the upper two thirds of the range of market capitalizations represented in the DJ Wilshire Index. These companies include those with large, medium and small capitalizations.

It is important to remember that neither the Program, the State of Illinois or its officials/employees, the Treasurer, the Distributor, nor the Program Manager or any of its affiliates can guarantee a minimum rate of return. Furthermore, funds deposited in an Account are not guaranteed or insured by the State of Illinois, the Treasurer, the Distributor, the Program Manager or its affiliates, the FDIC, or any other party. See "Certain Risks to Consider."

Can I Change My Investment Election?

The Account Owner may change the Portfolio or Portfolios in which his or her Account is invested once per calendar year, or upon a change in Beneficiary. During calendar year 2009, you may change the Portfolio or Portfolios in which your Account is invested twice, or at any time upon a change in Beneficiary. If an Account Owner has multiple accounts in the Program for the same Beneficiary, or multiple accounts in the Program and the Bright Start College Savings Program, the Account Owner may change the Portfolios in all such accounts without tax consequences, so long as the changes to all of the accounts are made at the same time.

To change the Portfolio or Portfolios in which your Account is invested, you should contact your broker or other financial advisor or you may log on to your account at www.brightdirections.com to complete an investment change online. You may also download the Change of Investment Option Form and complete and submit the form as directed, or call the Bright Directions® College Savings Program at 866-722-7283 for instructions.

The Program Manager employs procedures it considers to be reasonable to confirm that instructions communicated by telephone or Internet are genuine, including requiring certain personal identifying information prior to acting upon telephone or Internet instructions. None of the Program Manager, the Trust, nor the Trustee will be liable for following telephone or Internet instructions that are reasonably believed to be genuine.

How Is the Value of My Account Calculated?

The assets in your Account represent a portion of each Portfolio you have selected, expressed as a number of shares. The net asset value ("NAV") of each share of a Portfolio is based on the underlying funds in which a Portfolio invests, and is determined by dividing:

- The Portfolio's assets attributable to that Fee Structure less any liabilities attributable to that Fee Structure (including program management and account servicing fees), by
- The number of outstanding shares in such Fee Structure.

The NAV for each Portfolio offered by the Pool is calculated each business day the New York Stock Exchange is open after the value of each underlying fund is determined. The value of your Account will increase or decrease depending on the aggregate value of the underlying funds. The value of each underlying mutual fund is determined in accordance with procedures described in its current prospectus.

PORTFOLIO PERFORMANCE

How Have the Portfolios Performed?

The following tables show the past performance of the Fee Structures for each of the Portfolios. Performance figures are shown reflecting the Plan's expenses and the expenses of the underlying investment funds, as well as the imposition of applicable sales charges and servicing fees. The performance figures below do not include the $3 quarterly account fee. The information in the tables reflects the performance of the Portfolios, some of which have changed over time. If the Portfolios had been invested in the investment funds in which they are currently invested throughout the periods for which performance is shown, the Portfolio's total returns would have been different.

All of the performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate so that your Account may be worth less than the sum of your Contributions. For actual performance data of the Investment Portfolios current to the most recent month-end, visit the Program's website at www.brightdirections.com, or call 866-722-7283.

Account Owners do not own shares of the underlying mutual funds directly, but rather own shares in a Portfolio of the Program. As a result, the performance of the Portfolios will differ from the performance of the underlying mutual funds, even in circumstances where a Portfolio invests in an individual mutual fund. This is due in part to the differences in the expense ratios of the underlying funds and the Portfolios.

Performance differences between a Portfolio and its underlying mutual funds may also result from differences in the timing of purchases. On days when Contributions are made to an Account, the Portfolios will not use that money to purchase shares of an underlying mutual fund until the next business day. This timing difference, depending on how the markets are moving, will cause the Portfolio's performance to either trail or exceed the underlying mutual fund's performance.

The performance information below does not include performance for the BlackRock Inflation Protected Bond 529 Portfolio, the ING Global Real Estate 529 Portfolio, the American Century Growth 529 Portfolio, or the Sit Dividend Growth 529 Portfolio added to the Program effective March 31, 2009. Performance information for these portfolios is available to the most recent month-end on the Program's website at www.brightdirections.com.

AVERAGE ANNUAL TOTAL RETURNS AS OF DECEMBER 31, 2008

Fee Structure A*

Portfolio	One-Year Return at NAV	One-Year Return Including Sales Charge	Three-Year Return at NAV	Three-Year Return Including Sales Charge	Since Inception Return at NAV	Since Inception Return Including Sales Charge	Inception Date
Target Portfolios							
Fund 100	-39.93%	-42.03%	-11.06%	-12.11%	-10.52%	-11.54%	11/18/05
Fund 80	-32.40%	-34.76%	-7.70%	-8.79%	-7.09%	-8.15%	11/18/05
Fund 60	-25.30%	-27.92%	-4.94%	-6.06%	-4.54%	-5.63%	11/18/05
Fund 40	-17.39%	-20.28%	-2.37%	-3.53%	-2.10%	-3.21%	11/18/05
Fund 20	-8.88%	-12.07%	0.36%	-0.82%	0.51%	-0.63%	11/18/05
Fund 10	-4.45%	-7.80%	1.54%	0.34%	1.61%	0.45%	11/18/05
Fixed Income Fund	0.09%	-3.41%	2.91%	1.69%	2.89%	1.72%	11/18/05
Age-Based Portfolios							
Aggressive Portfolio							
Ages 0-8	-39.93%	-42.03%	-11.06%	-12.11%	-10.52%	-11.54%	11/18/05
Ages 9-12	-32.40%	-34.76%	-7.70%	-8.79%	-7.09%	-8.15%	11/18/05
Ages 13-16	-25.30%	-27.92%	-4.94%	-6.06%	-4.54%	-5.63%	11/18/05
Ages 17-20	-17.39%	-20.28%	-2.37%	-3.53%	-2.10%	-3.21%	11/18/05
Ages 21+	-8.88%	-12.07%	0.36%	-0.82%	0.51%	-0.63%	11/18/05
Growth Portfolio							
Ages 0-8	-32.40%	-34.76%	-7.70%	-8.79%	-7.09%	-8.15%	11/18/05
Ages 9-12	-25.30%	-27.92%	-4.94%	-6.06%	-4.54%	-5.63%	11/18/05
Ages 13-16	-17.39%	-20.28%	-2.37%	-3.53%	-2.10%	-3.21%	11/18/05
Ages 17-20	-8.88%	-12.07%	0.36%	-0.82%	0.51%	-0.63%	11/18/05
Ages 21+	-4.45%	-7.80%	1.54%	0.34%	1.61%	0.45%	11/18/05
Balanced Portfolio							
Ages 0-8	-25.30%	-27.92%	-4.94%	-6.06%	-4.54%	-5.63%	11/18/05
Ages 9-12	-17.39%	-20.28%	-2.37%	-3.53%	-2.10%	-3.21%	11/18/05
Ages 13-16	-8.88%	-12.07%	0.36%	-0.82%	0.51%	-0.63%	11/18/05
Ages 17-20	-4.45%	-7.80%	1.54%	0.34%	1.61%	0.45%	11/18/05
Ages 21+	0.09%	-3.41%	2.91%	1.69%	2.89%	1.72%	11/18/05
Individual Fund Portfolios							
BGI Institutional Money Market 529 Portfolio	2.26%	2.26%	3.50%	3.50%	3.36%	3.36%	11/18/05
Calvert Income 529 Portfolio	-11.96%	-15.04%	-1.17%	-2.34%	-0.91%	-2.03%	11/18/05
PIMCO Short-Term Bond 529 Portfolio	-1.96%	-1.96%	1.67%	1.67%	1.67%	1.67%	11/18/05
PIMCO Low Duration 529 Portfolio	-1.91%	-1.91%	2.46%	2.46%	2.47%	2.47%	11/18/05
PIMCO Total Return 529 Portfolio	4.11%	0.46%	5.01%	3.77%	5.05%	3.85%	11/18/05
American Century Equity Growth 529 Portfolio	-35.00%	-37.28%	-9.15%	-10.22%	-8.73%	-9.77%	11/18/05
American Century Value 529 Portfolio	-26.94%	-29.50%	-6.76%	-7.87%	-6.61%	-7.67%	11/18/05
American Century Vista 529 Portfolio	-49.03%	-50.82%	-8.61%	-9.69%	-8.27%	-9.31%	11/18/05
Delaware Small Cap Core 529 Portfolio	n/a	n/a	n/a	n/a	-28.30%	-30.81%	04/30/08
Eaton Vance Large-Cap Value 529 Portfolio	n/a	n/a	n/a	n/a	-33.50%	-35.83%	04/30/08
Northern Instl Diversified Growth 529 Portfolio**	-36.85%	-39.06%	-10.78%	-11.83%	-10.56%	-11.58%	11/18/05
Northern Instl Equity Index 529 Portfolio	-37.65%	-39.83%	-9.55%	-10.62%	-9.32%	-10.35%	11/18/05
Northern Small Cap Value 529 Portfolio	n/a	n/a	n/a	n/a	-22.70%	-25.41%	04/30/08
Northern Instl Small Co Index 529 Portfolio	-34.31%	-36.61%	-9.40%	-10.47%	-9.32%	-10.35%	11/18/05
T Rowe Price Ext Eq Market Index 529 Portfolio	-38.80%	-40.95%	-9.99%	-11.05%	-9.72%	-10.74%	11/18/05
T Rowe Price Equity Income 529 Portfolio	-36.22%	-38.45%	-8.50%	-9.58%	-8.19%	-9.24%	11/18/05
T Rowe Price Instl Large-Cap Growth 529 Portfolio	n/a	n/a	n/a	n/a	-37.50%	-39.69%	04/30/08
William Blair Small Cap Growth 529 Portfolio	-47.00%	-48.86%	-16.40%	-17.39%	-15.89%	-16.84%	11/18/05
AllianceBernstein Intl Value 529 Portfolio	-53.69%	-55.31%	-13.76%	-14.78%	-11.97%	-12.97%	11/18/05
Northern Instl Intl Equity Index 529 Portfolio	-43.38%	-45.36%	-8.24%	-9.33%	-6.61%	-7.67%	11/18/05
Oppenheimer Intl Growth 529 Portfolio	n/a	n/a	n/a	n/a	-39.10%	-41.23%	04/30/08
T Rowe Price Real Estate 529 Portfolio	-39.78%	-41.89%	-13.04%	-14.07%	-12.22%	-13.22%	11/18/05
T Rowe Price Balanced 529 Portfolio	-28.97%	-31.46%	-5.26%	-6.38%	-4.79%	-5.87%	11/18/05
Calvert Social Investment Equity 529 Portfolio	-36.15%	-38.39%	-8.71%	-9.79%	-8.93%	-9.96%	11/18/05
Female & Minority Owned Growth Portfolio	n/a	n/a	n/a	n/a	-38.40%	-40.56%	03/12/08
Adelante U.S. Real Estate 529 Portfolio	n/a	n/a	n/a	n/a	-35.30%	-37.56%	03/12/08
Ariel Fund 529 Portfolio	-48.56%	-50.36%	-18.05%	-19.02%	-18.13%	-19.06%	11/18/05
Earnest Partners Fixed Income 529 Portfolio	n/a	n/a	n/a	n/a	-2.80%	-6.20%	03/12/08
FMA Small Company 529 Portfolio	n/a	n/a	n/a	n/a	-20.10%	-22.90%	03/12/08
Forward Small Cap Equity 529 Portfolio	n/a	n/a	n/a	n/a	-31.30%	-33.70%	03/12/08
NCM Capital Mid-Cap Growth 529 Portfolio	n/a	n/a	n/a	n/a	-38.30%	-40.46%	03/12/08
Payden Market Return 529 Portfolio***	n/a	n/a	n/a	n/a	-38.80%	-40.94%	03/12/08
Payden U.S. Growth Leaders 529 Portfolio	n/a	n/a	n/a	n/a	-36.60%	-38.82%	03/12/08

*Returns reflected at NAV do not take into account any initial sales charge. Returns including sales charges take into account the 3.50% initial sales charge described on page 21.
** No longer available in the Program effective March 31, 2009.
*** No longer available in the Program effective January 31, 2009.

AVERAGE ANNUAL TOTAL RETURNS AS OF DECEMBER 31, 2008

Fee Structure C

Portfolio	One-Year Return	Three-Year Return	Since Inception Return	Inception Date
Target Portfolios				
Fund 100	-40.09%	-11.28%	-10.77%	11/18/05
Fund 80	-32.56%	-7.90%	-7.32%	11/18/05
Fund 60	-25.43%	-5.16%	-4.76%	11/18/05
Fund 40	-17.64%	-2.62%	-2.33%	11/18/05
Fund 20	-9.10%	0.13%	0.29%	11/18/05
Fund 10	-4.75%	1.28%	1.36%	11/18/05
Fixed Income Fund	-0.18%	2.62%	2.62%	11/18/05
Age-Based Portfolios				
Aggressive Portfolio				
Ages 0-8	-40.09%	-11.28%	-10.77%	11/18/05
Ages 9-12	-32.56%	-7.90%	-7.32%	11/18/05
Ages 13-16	-25.43%	-5.16%	-4.76%	11/18/05
Ages 17-20	-17.64%	-2.62%	-2.33%	11/18/05
Ages 21+	-9.10%	0.13%	0.29%	11/18/05
Growth Portfolio				
Ages 0-8	-32.56%	-7.90%	-7.32%	11/18/05
Ages 9-12	-25.43%	-5.16%	-4.76%	11/18/05
Ages 13-16	-17.64%	-2.62%	-2.33%	11/18/05
Ages 17-20	-9.10%	0.13%	0.29%	11/18/05
Ages 21+	-4.75%	1.28%	1.36%	11/18/05
Balanced Portfolio				
Ages 0-8	-25.43%	-5.16%	-4.76%	11/18/05
Ages 9-12	-17.64%	-2.62%	-2.33%	11/18/05
Ages 13-16	-9.10%	0.13%	0.29%	11/18/05
Ages 17-20	-4.75%	1.28%	1.36%	11/18/05
Ages 21+	-0.18%	2.62%	2.62%	11/18/05
Individual Fund Portfolios				
BGI Institutional Money Market 529 Portfolio	2.04%	3.27%	3.15%	11/18/05
Calvert Income 529 Portfolio	-12.19%	-1.41%	-1.14%	11/18/05
PIMCO Short-Term Bond 529 Portfolio	-2.15%	1.48%	1.45%	11/18/05
PIMCO Low Duration 529 Portfolio	-2.20%	2.18%	2.16%	11/18/05
PIMCO Total Return 529 Portfolio	3.95%	4.74%	4.79%	11/18/05
American Century Equity Growth 529 Portfolio	-35.16%	-9.35%	-8.93%	11/18/05
American Century Value 529 Portfolio	-27.00%	-6.96%	-6.79%	11/18/05
American Century Vista 529 Portfolio	-49.20%	-8.85%	-8.50%	11/18/05
Delaware Small Cap Core 529 Portfolio	n/a	n/a	-28.50%	04/30/08
Eaton Vance Large-Cap Value 529 Portfolio	n/a	n/a	-33.60%	04/30/08
Northern Instl Diversified Growth 529 Portfolio*	-36.96%	-10.96%	-10.77%	11/18/05
Northern Instl Equity Index 529 Portfolio	-37.76%	-9.75%	-9.52%	11/18/05
Northern Small Cap Value 529 Portfolio	n/a	n/a	-22.80%	04/30/08
Northern Instl Small Co Index 529 Portfolio	-34.56%	-9.61%	-9.56%	11/18/05
T Rowe Price Ext Eq Market Index 529 Portfolio	-38.95%	-10.21%	-9.96%	11/18/05
T Rowe Price Equity Income 529 Portfolio	-36.32%	-8.70%	-8.39%	11/18/05
T Rowe Price Instl Large-Cap Growth 529 Portfolio	n/a	n/a	-37.60%	04/30/08
William Blair Small Cap Growth 529 Portfolio	-47.07%	-16.59%	-16.07%	11/18/05
AllianceBernstein Intl Value 529 Portfolio	-53.81%	-13.95%	-12.18%	11/18/05
Northern Instl Intl Equity Index 529 Portfolio	-43.52%	-8.44%	-6.83%	11/18/05
Oppenheimer Intl Growth 529 Portfolio	n/a	n/a	-39.20%	04/30/08
T Rowe Price Real Estate 529 Portfolio	-39.91%	-13.23%	-12.43%	11/18/05
T Rowe Price Balanced 529 Portfolio	-29.14%	-5.49%	-5.04%	11/18/05
Calvert Social Investment Equity 529 Portfolio	-36.28%	-8.84%	-9.09%	11/18/05
Female & Minority Owned Growth Portfolio	n/a	n/a	-38.60%	03/12/08
Adelante U.S. Real Estate 529 Portfolio	n/a	n/a	-35.40%	03/12/08
Ariel Fund 529 Portfolio	-48.70%	-18.25%	-18.32%	11/18/05
Earnest Partners Fixed Income 529 Portfolio	n/a	n/a	-3.00%	03/12/08
FMA Small Company 529 Portfolio	n/a	n/a	-20.30%	03/12/08
Forward Small Cap Equity 529 Portfolio	n/a	n/a	-31.40%	03/12/08
NCM Capital Mid-Cap Growth 529 Portfolio	n/a	n/a	-38.40%	03/12/08
Payden Market Return 529 Portfolio**	n/a	n/a	-38.90%	03/12/08
Payden U.S. Growth Leaders 529 Portfolio	n/a	n/a	-36.70%	03/12/08

* No longer available in the Program effective March 31, 2009.
** No longer available in the Program effective January 31, 2009.

AVERAGE ANNUAL TOTAL RETURNS AS OF DECEMBER 31, 2008			Fee Structure E	
Portfolio	One-Year Return	Three-Year Return	Since Inception Return	Inception Date
Target Portfolios				
Fund 100	-39.98%	n/a	-11.45%	01/03/06
Fund 80	-32.36%	-7.63%	-7.56%	12/20/05
Fund 60	-25.22%	-4.89%	-4.94%	12/14/05
Fund 40	-17.46%	n/a	-3.01%	03/01/06
Fund 20	-8.87%	n/a	-0.15%	05/16/06
Fund 10	-4.49%	n/a	0.91%	09/18/06
Fixed Income Fund	0.19%	n/a	2.15%	04/17/07
Age-Based Portfolios				
Aggressive Portfolio				
Ages 0-8	-39.98%	n/a	-11.45%	01/03/06
Ages 9-12	-32.36%	-7.63%	-7.56%	12/20/05
Ages 13-16	-25.22%	-4.89%	-4.94%	12/14/05
Ages 17-20	-17.46%	n/a	-3.01%	03/01/06
Ages 21+	-8.87%	n/a	-0.15%	05/16/06
Growth Portfolio				
Ages 0-8	-32.36%	-7.63%	-7.56%	12/20/05
Ages 9-12	-25.22%	-4.89%	-4.94%	12/14/05
Ages 13-16	-17.46%	n/a	-3.01%	03/01/06
Ages 17-20	-8.87%	n/a	-0.15%	05/16/06
Ages 21+	-4.49%	n/a	0.91%	09/18/06
Balanced Portfolio				
Ages 0-8	-25.22%	-4.89%	-4.94%	12/14/05
Ages 9-12	-17.46%	n/a	-3.01%	03/01/06
Ages 13-16	-8.87%	n/a	-0.15%	05/16/06
Ages 17-20	-4.49%	n/a	0.91%	09/18/06
Ages 21+	0.19%	n/a	2.15%	04/17/07
Individual Fund Portfolios				
BGI Institutional Money Market 529 Portfolio	2.28%	3.63%	3.62%	12/30/05
Calvert Income 529 Portfolio	-11.98%	-1.14%	-0.99%	12/14/05
PIMCO Short-Term Bond 529 Portfolio	-2.00%	n/a	1.30%	10/16/06
PIMCO Low Duration 529 Portfolio	-1.91%	2.43%	2.59%	12/14/05
PIMCO Total Return 529 Portfolio	4.12%	n/a	5.33%	02/09/06
American Century Equity Growth 529 Portfolio	-34.94%	-9.06%	-9.36%	12/23/05
American Century Value 529 Portfolio	-26.85%	n/a	-13.23%	10/13/06
American Century Vista 529 Portfolio	-48.99%	n/a	-11.60%	10/06/06
Delaware Small Cap Core 529 Portfolio	n/a	n/a	-28.30%	04/30/08
Eaton Vance Large-Cap Value 529 Portfolio	n/a	n/a	-33.50%	04/30/08
Northern Instl Diversified Growth 529 Portfolio*	-36.90%	-10.75%	-11.21%	12/14/05
Northern Instl Equity Index 529 Portfolio	-37.66%	n/a	-11.80%	07/19/06
Northern Small Cap Value 529 Portfolio	n/a	n/a	-22.70%	04/30/08
Northern Instl Small Co Index 529 Portfolio	-34.37%	n/a	-17.31%	10/16/06
T Rowe Price Ext Eq Market Index 529 Portfolio	-38.84%	n/a	-11.43%	02/09/06
T Rowe Price Equity Income 529 Portfolio	-36.20%	n/a	-9.22%	02/09/06
T Rowe Price Instl Large-Cap Growth 529 Portfolio	n/a	n/a	-37.50%	04/30/08
William Blair Small Cap Growth 529 Portfolio	-46.96%	n/a	-18.22%	02/09/06
AllianceBernstein Intl Value 529 Portfolio	-53.71%	-13.40%	-13.27%	12/14/05
Northern Instl Intl Equity Index 529 Portfolio	-43.35%	n/a	-9.36%	03/07/06
Oppenheimer Intl Growth 529 Portfolio	n/a	n/a	-39.10%	04/30/08
T Rowe Price Real Estate 529 Portfolio	-39.76%	-12.86%	-13.05%	12/14/05
T Rowe Price Balanced 529 Portfolio	-28.99%	n/a	-9.70%	10/06/06
Calvert Social Investment Equity 529 Portfolio	-36.03%	n/a	-13.93%	10/20/06
Female & Minority Owned Growth Portfolio	n/a	n/a	-38.40%	03/12/08
Adelante U.S. Real Estate 529 Portfolio	n/a	n/a	-35.30%	03/12/08
Ariel Fund 529 Portfolio	-48.58%	n/a	-18.36%	01/03/06
Earnest Partners Fixed Income 529 Portfolio	n/a	n/a	-2.90%	03/12/08
FMA Small Company 529 Portfolio	n/a	n/a	-20.10%	03/12/08
Forward Small Cap Equity 529 Portfolio	n/a	n/a	-31.30%	03/12/08
NCM Capital Mid-Cap Growth 529 Portfolio	n/a	n/a	-38.40%	03/12/08
Payden Market Return 529 Portfolio**	n/a	n/a	-38.80%	03/12/08
Payden U.S. Growth Leaders 529 Portfolio	n/a	n/a	-36.60%	03/12/08

* No longer available in the Program effective March 31, 2009.

** No longer available in the Program effective January 31, 2009.

AVERAGE ANNUAL TOTAL RETURNS AS OF DECEMBER 31, 2008	Fee Structure F			
Portfolio	**One-Year Return**	**Three-Year Return**	**Since Inception Return**	**Inception Date**
Target Portfolios				
Fund 100	-39.81%	-10.85%	-10.32%	11/18/05
Fund 80	-32.23%	-7.47%	-6.87%	11/18/05
Fund 60	-25.09%	-4.68%	-4.30%	11/18/05
Fund 40	-17.21%	-2.13%	-1.86%	11/18/05
Fund 20	-8.65%	0.63%	0.76%	11/18/05
Fund 10	-4.34%	1.76%	1.86%	11/18/05
Fixed Income Fund	0.27%	3.12%	3.13%	11/18/05
Age-Based Portfolios				
Aggressive Portfolio				
Ages 0-8	-39.81%	-10.85%	-10.32%	11/18/05
Ages 9-12	-32.23%	-7.47%	-6.87%	11/18/05
Ages 13-16	-25.09%	-4.68%	-4.30%	11/18/05
Ages 17-20	-17.21%	-2.13%	-1.86%	11/18/05
Ages 21+	-8.65%	0.63%	0.76%	11/18/05
Growth Portfolio				
Ages 0-8	-32.23%	-7.47%	-6.87%	11/18/05
Ages 9-12	-25.09%	-4.68%	-4.30%	11/18/05
Ages 13-16	-17.21%	-2.13%	-1.86%	11/18/05
Ages 17-20	-8.65%	0.63%	0.76%	11/18/05
Ages 21+	-4.34%	1.76%	1.86%	11/18/05
Balanced Portfolio				
Ages 0-8	-25.09%	-4.68%	-4.30%	11/18/05
Ages 9-12	-17.21%	-2.13%	-1.86%	11/18/05
Ages 13-16	-8.65%	0.63%	0.76%	11/18/05
Ages 17-20	-4.34%	1.76%	1.86%	11/18/05
Ages 21+	0.27%	3.12%	3.13%	11/18/05
Individual Fund Portfolios				
BGI Institutional Money Market 529 Portfolio	2.52%	3.77%	3.63%	11/18/05
Calvert Income 529 Portfolio	-11.71%	-0.93%	-0.65%	11/18/05
PIMCO Short-Term Bond 529 Portfolio	-1.76%	1.96%	1.95%	11/18/05
PIMCO Low Duration 529 Portfolio	-1.72%	2.68%	2.68%	11/18/05
PIMCO Total Return 529 Portfolio	4.44%	5.28%	5.31%	11/18/05
American Century Equity Growth 529 Portfolio	-34.82%	-8.91%	-8.50%	11/18/05
American Century Value 529 Portfolio	-26.71%	-6.50%	-6.35%	11/18/05
American Century Vista 529 Portfolio	-48.94%	-8.44%	-8.08%	11/18/05
Delaware Small Cap Core 529 Portfolio	n/a	n/a	-28.20%	04/30/08
Eaton Vance Large-Cap Value 529 Portfolio	n/a	n/a	-33.30%	04/30/08
Northern Instl Diversified Growth 529 Portfolio*	-36.74%	-10.57%	-10.36%	11/18/05
Northern Instl Equity Index 529 Portfolio	-37.46%	-9.30%	-9.09%	11/18/05
Northern Small Cap Value 529 Portfolio	n/a	n/a	-22.60%	04/30/08
Northern Instl Small Co Index 529 Portfolio	-34.13%	-9.15%	-9.09%	11/18/05
T Rowe Price Ext Eq Market Index 529 Portfolio	-38.64%	-9.78%	-9.52%	11/18/05
T Rowe Price Equity Income 529 Portfolio	-36.09%	-8.26%	-7.96%	11/18/05
T Rowe Price Instl Large-Cap Growth 529 Portfolio	n/a	n/a	-37.40%	04/30/08
William Blair Small Cap Growth 529 Portfolio	-46.88%	-16.21%	-15.70%	11/18/05
AllianceBernstein Intl Value 529 Portfolio	-53.57%	-13.55%	-11.76%	11/18/05
Northern Instl Intl Equity Index 529 Portfolio	-43.24%	-8.02%	-6.39%	11/18/05
Oppenheimer Intl Growth 529 Portfolio	n/a	n/a	-39.00%	04/30/08
T Rowe Price Real Estate 529 Portfolio	-39.66%	-12.83%	-12.01%	11/18/05
T Rowe Price Balanced 529 Portfolio	-28.80%	-5.08%	-4.61%	11/18/05
Calvert Social Investment Equity 529 Portfolio	-35.94%	-8.43%	-8.66%	11/18/05
Female & Minority Owned Growth Portfolio	n/a	n/a	-38.30%	03/12/08
Adelante U.S. Real Estate 529 Portfolio	n/a	n/a	-35.20%	03/12/08
Ariel Fund 529 Portfolio	-48.47%	-17.87%	-17.93%	11/18/05
Earnest Partners Fixed Income 529 Portfolio	n/a	n/a	-2.60%	03/12/08
FMA Small Company 529 Portfolio	n/a	n/a	-19.90%	03/12/08
Forward Small Cap Equity 529 Portfolio	n/a	n/a	-31.20%	03/12/08
NCM Capital Mid-Cap Growth 529 Portfolio	n/a	n/a	-38.20%	03/12/08
Payden Market Return 529 Portfolio**	n/a	n/a	-38.70%	03/12/08
Payden U.S. Growth Leaders 529 Portfolio	n/a	n/a	-36.50%	03/12/08

* No longer available in the Program effective March 31, 2009.
** No longer available in the Program effective January 31, 2009.

PROGRAM FEES AND EXPENSES

What Does the Program Cost?

A one-time setup fee of $10 will be deducted from the initial Contribution to your Account, or may be paid by a separate check. A quarterly account fee of $3 will be deducted from your Account each quarter. The account fee is charged for each calendar quarter approximately 15 days after the end of such quarter.

In addition, a program management fee is accrued by each Portfolio on a daily basis. This fee is not reflected as a direct charge against your Account on your account statements, but rather is reflected as an expense in the daily NAV calculation for each Portfolio, as discussed in "How is the Value of my Account Calculated" above. The program management fee is at an annual rate of 0.45% of the average daily net assets of each Portfolio. Under certain circumstances, the Program Manager, in its sole discretion, may waive a portion of its program management fee with respect to a Portfolio. Any such waiver would be voluntary and may be discontinued at any time.

Each Portfolio will also indirectly bear its pro rata share of the fees and expenses of the underlying mutual funds. Although these expenses and fees are not charged to Program Accounts, they will reduce the investment returns realized by each Portfolio.

Accounts are offered through the Distributor and brokers or other financial advisors to provide Participants the opportunity to establish Accounts with the assistance of a financial professional. When you open an Account with the involvement of a broker or financial advisor you must choose from among Fee Structure A, C, E, or F. Fee Structure E is available only to Account Owners investing in the Program through an employer-sponsored option, and Fee Structure F is available only for Account Owners investing in the Program through registered investment advisors or other financial advisors who are not compensated through commissions, but rather through payment of an hourly fee or a percentage of assets under management. The sales charges paid to the Distributor and additional fees associated with each Fee Structure and the Program are described below.

Sales Charges	Account Sales Charge*	Annual Account Servicing Fee**
Fee Structure A	3.50%	0.25%
Fee Structure C	none	0.50%
Fee Structure E	none	0.25%
Fee Structure F	none	none
Additional Fees		
One-Time Setup Fee		$10
Cancellation Fee		none
Change in Beneficiary		none
Investment Option Change		none

*Paid directly from each Contribution

**Deducted from Portfolio assets

Fees set forth under Fee Structure A, C, E, or F are in addition to all other fees charged against the Account. You may choose to make Contributions under more than one Fee Structure by establishing separate Accounts. The annual servicing fees applicable to each Account under each of the Fee Structures are accrued daily and reflected in the NAV of each Portfolio. In consultation with your broker or financial advisor, you should consider carefully your investment goals and objectives when considering which Fee Structure to choose for your Account, including your Account Beneficiary's age and how often and for how long you intend to contribute to your Account.

Contributions made to the BGI Institutional Money Market 529 Portfolio, the PIMCO Short-Term 529 Portfolio, or the PIMCO Low Duration 529 Portfolio under Fee Structure A are not subject to an initial sales charge. In addition, effective May 1, 2009, no Annual Account Servicing Fee will be charged for the BGI Institutional Money Market 529 Portfolio. However, if you transfer funds contributed under Fee Structure A from the BGI Institutional Money Market 529 Portfolio, the PIMCO Short-Term 529 Portfolio, or the PIMCO Low Duration 529 Portfolio to another Portfolio in the Program, you will be assessed the sales charges applicable to such new Portfolio under Fee Structure A.

Initial Sales Charge Waivers: The initial sales charge will not apply to Contributions made under Fee Structure A under the following situations:

- Purchases for employees or associated persons, and members of their immediate families (ie: spouse, children, mother, father), of selling institutions that have entered into a selling agent agreement to sell interests in the Program;
- If you previously paid a front-end sales charge, Contributions that constitute a Qualified Rollover Distribution from another 529 qualified tuition program or a Coverdell Education Savings Account may be made to Accounts under Fee Structure A without the imposition of an initial sales charge;
- "Bright Directions 529 College Savings Visa® Card Rewards" Contributions generated from the Bright Directions College Savings Visa® Card.

All other fees applicable to Fee Structure A shares will apply.

To receive an initial sales charge waiver under Fee Structure A, you or your financial advisor must notify the Program Manager at the time you make a Contribution that you qualify for such a waiver.

The Program Manager's ability to recommend investment of Portfolio assets is limited by the Services Agreement and is subject to review by the Treasurer. The Program Manager may receive and retain from the underlying mutual funds an amount up to 0.25% of Program assets invested in such underlying mutual funds for certain administration or other shareholder services associated with maintaining an investment in such underlying mutual funds. The amount of such payments may affect the Program Management Fee, provided that under the Services Agreement the Program Management Fee may not exceed 0.55% of the aggregate assets in the Program.

Whether there are any additional transaction, service, administrative, or other fees charged directly by a broker or financial advisor with respect to an Account is a matter between the Account Owner and the financial professional and is not a feature of the Program.

The following tables set forth the Program's estimate of the fees and expenses applicable to the Age-Based, Target, Individual Fund, and Female- and Minority-Owned Portfolios. The actual expenses of each Portfolio may be different. The "Total Annual Asset-Based Fees" estimated below include the program management fee assessed against each Portfolio as described above, as well as any applicable annual servicing fees under Fee Structure A, C, or E.

The following notes relate to the information contained in the tables on the following pages outlining the expenses, fees, and sales charges applicable to each Fee Structure:

[1] For registered mutual funds, in the absence of a change that would materially affect the information, based on the most recent fiscal year reported upon in the applicable fund's most recent prospectus dated prior to March 15, 2009, and for Portfolios invested in multiple registered mutual funds, based on a weighted average of each fund's total annual operating expenses, in accordance with the Portfolio's asset allocation as of the date of this Program Disclosure Statement.

[2] The Program Manager pays a fee to the Treasurer that is used to offset the Treasurer's expenses in administering the Program in an amount equal to the greater of $350,000 or 0.05% of the aggregate assets in the Program. The Program Manager pays such fee out of its Program Management Fee.

[3] If you previously paid a front-end sales charge, Contributions that constitute a Qualified Rollover Distribution from another 529 qualified tuition program or a Coverdell Education Savings Account may be made to Accounts under Fee Structure A without the imposition of an initial sales charge.

[4] A quarterly account fee of $3 will be deducted from your Account each quarter, and Accounts incur an initial one-time $10 setup fee.

[5] Through April 30, 2009, Contributions to the BGI Institutional Money Market 529 Portfolio are charged a 0.25% Annual Servicing Fee (Fee Structure A and E) and a 0.50% Annual Servicing Fee (Fee Structure C). Effective May 1, 2009, the Annual Servicing Fee is 0.00% for all Fee Structures.

Fee Structure A

	Annual Asset-Based Fees					Additional Investor Expenses	
	Estimated Underlying Fund Expenses[1]	Program Management Fees	State Fee[2]	Annual Servicing Fee	Total Annual Asset-Based Fees	Maximum Initial Sales Charge[3]	Account Fee[4]
Target Portfolios							
Fund 100	0.62%	0.45%	None	0.25%	1.32%	3.50%	$12
Fund 80	0.59%	0.45%	None	0.25%	1.29%	3.50%	$12
Fund 60	0.57%	0.45%	None	0.25%	1.27%	3.50%	$12
Fund 40	0.54%	0.45%	None	0.25%	1.24%	3.50%	$12
Fund 20	0.44%	0.45%	None	0.25%	1.14%	3.50%	$12
Fund 10	0.34%	0.45%	None	0.25%	1.04%	3.50%	$12
Fixed Income Fund	0.29%	0.45%	None	0.25%	0.99%	3.50%	$12
Age Based Portfolios							
Aggressive Portfolio							
Ages 0-8	0.62%	0.45%	None	0.25%	1.32%	3.50%	$12
Ages 9-12	0.59%	0.45%	None	0.25%	1.29%	3.50%	$12
Ages 13-16	0.57%	0.45%	None	0.25%	1.27%	3.50%	$12
Ages 17-20	0.54%	0.45%	None	0.25%	1.24%	3.50%	$12
Ages 21+	0.44%	0.45%	None	0.25%	1.14%	3.50%	$12
Growth Portfolio							
Ages 0-8	0.59%	0.45%	None	0.25%	1.29%	3.50%	$12
Ages 9-12	0.57%	0.45%	None	0.25%	1.27%	3.50%	$12
Ages 13-16	0.54%	0.45%	None	0.25%	1.24%	3.50%	$12
Ages 17-20	0.44%	0.45%	None	0.25%	1.14%	3.50%	$12
Ages 21+	0.34%	0.45%	None	0.25%	1.04%	3.50%	$12
Balanced Portfolio							
Ages 0-8	0.57%	0.45%	None	0.25%	1.27%	3.50%	$12
Ages 9-12	0.54%	0.45%	None	0.25%	1.24%	3.50%	$12
Ages 13-16	0.44%	0.45%	None	0.25%	1.14%	3.50%	$12
Ages 17-20	0.34%	0.45%	None	0.25%	1.04%	3.50%	$12
Ages 21+	0.29%	0.45%	None	0.25%	0.99%	3.50%	$12
Individual Fund Portfolios							
BGI Institutional Money Market 529 Portfolio[5]	0.12%	0.45%	None	0.00%	0.57%	None	$12
BlackRock Inflation Protected Bond 529 Portfolio	0.45%	0.45%	None	0.25%	1.15%	3.50%	$12
PIMCO Short-Term Bond 529 Portfolio	0.46%	0.45%	None	0.25%	1.16%	None	$12
PIMCO Low Duration 529 Portfolio	0.46%	0.45%	None	0.25%	1.16%	None	$12
PIMCO Total Return 529 Portfolio	0.52%	0.45%	None	0.25%	1.22%	3.50%	$12
Calvert Income 529 Portfolio	0.53%	0.45%	None	0.25%	1.23%	3.50%	$12
T Rowe Price Balanced 529 Portfolio	0.66%	0.45%	None	0.25%	1.36%	3.50%	$12
Calvert Social Investment Equity 529 Portfolio	0.67%	0.45%	None	0.25%	1.37%	3.50%	$12
T Rowe Price Real Estate 529 Portfolio	0.74%	0.45%	None	0.25%	1.44%	3.50%	$12
ING Global Real Estate 529 Portfolio	1.01%	0.45%	None	0.25%	1.71%	3.50%	$12
Eaton Vance Large-Cap Value 529 Portfolio	0.73%	0.45%	None	0.25%	1.43%	3.50%	$12
T Rowe Price Equity Income 529 Portfolio	0.67%	0.45%	None	0.25%	1.37%	3.50%	$12
American Century Value 529 Portfolio	0.80%	0.45%	None	0.25%	1.50%	3.50%	$12
American Century Equity Growth 529 Portfolio	0.47%	0.45%	None	0.25%	1.17%	3.50%	$12
Northern Instl Equity Index 529 Portfolio	0.21%	0.45%	None	0.25%	0.91%	3.50%	$12
American Century Growth 529 Portfolio	0.80%	0.45%	None	0.25%	1.50%	3.50%	$12
T Rowe Price Instl Large-Cap Growth 529 Portfolio	0.58%	0.45%	None	0.25%	1.28%	3.50%	$12
T Rowe Price Ext Eq Market Index 529 Portfolio	0.40%	0.45%	None	0.25%	1.10%	3.50%	$12
American Century Vista 529 Portfolio	0.80%	0.45%	None	0.25%	1.50%	3.50%	$12
Northern Small Cap Value 529 Portfolio	1.00%	0.45%	None	0.25%	1.70%	3.50%	$12
Northern Instl Small Co Index 529 Portfolio	0.31%	0.45%	None	0.25%	1.01%	3.50%	$12
Delaware Small Cap Core 529 Portfolio	1.10%	0.45%	None	0.25%	1.80%	3.50%	$12
William Blair Small Cap Growth 529 Portfolio	1.20%	0.45%	None	0.25%	1.90%	3.50%	$12
AllianceBernstein Intl Value 529 Portfolio	0.84%	0.45%	None	0.25%	1.54%	3.50%	$12
Northern Instl Intl Equity Index 529 Portfolio	0.41%	0.45%	None	0.25%	1.11%	3.50%	$12
Oppenheimer Intl Growth 529 Portfolio	0.74%	0.45%	None	0.25%	1.44%	3.50%	$12
Female & Minority Owned Growth Portfolio	1.10%	0.45%	None	0.25%	1.80%	3.50%	$12
Earnest Partners Fixed Income 529 Portfolio	0.40%	0.45%	None	0.25%	1.10%	3.50%	$12
Sit Dividend Growth 529 Portfolio	1.02%	0.45%	None	0.25%	1.72%	3.50%	$12
Payden U.S. Growth Leaders 529 Portfolio	0.98%	0.45%	None	0.25%	1.68%	3.50%	$12
Ariel Fund 529 Portfolio	1.07%	0.45%	None	0.25%	1.77%	3.50%	$12
NCM Capital Mid-Cap Growth 529 Portfolio	1.56%	0.45%	None	0.25%	2.26%	3.50%	$12
FMA Small Company 529 Portfolio	1.38%	0.45%	None	0.25%	2.08%	3.50%	$12
Forward Small Cap Equity 529 Portfolio	1.37%	0.45%	None	0.25%	2.07%	3.50%	$12
Adelante U.S. Real Estate 529 Portfolio	0.90%	0.45%	None	0.25%	1.60%	3.50%	$12

Fee Structure C

	Annual Asset-Based Fees					Additional Investor Expenses	
	Estimated Underlying Fund Expenses[1]	Program Management Fees	State Fee[2]	Annual Servicing Fee	Total Annual Asset-Based Fees	Maximum Initial Sales Charge[3]	Account Fee[4]
Target Portfolios							
Fund 100	0.62%	0.45%	None	0.50%	1.57%	None	$12
Fund 80	0.59%	0.45%	None	0.50%	1.54%	None	$12
Fund 60	0.57%	0.45%	None	0.50%	1.52%	None	$12
Fund 40	0.54%	0.45%	None	0.50%	1.49%	None	$12
Fund 20	0.44%	0.45%	None	0.50%	1.39%	None	$12
Fund 10	0.34%	0.45%	None	0.50%	1.29%	None	$12
Fixed Income Fund	0.29%	0.45%	None	0.50%	1.24%	None	$12
Age Based Portfolios							
Aggressive Portfolio							
Ages 0-8	0.62%	0.45%	None	0.50%	1.57%	None	$12
Ages 9-12	0.59%	0.45%	None	0.50%	1.54%	None	$12
Ages 13-16	0.57%	0.45%	None	0.50%	1.52%	None	$12
Ages 17-20	0.54%	0.45%	None	0.50%	1.49%	None	$12
Ages 21+	0.44%	0.45%	None	0.50%	1.39%	None	$12
Growth Portfolio							
Ages 0-8	0.59%	0.45%	None	0.50%	1.54%	None	$12
Ages 9-12	0.57%	0.45%	None	0.50%	1.52%	None	$12
Ages 13-16	0.54%	0.45%	None	0.50%	1.49%	None	$12
Ages 17-20	0.44%	0.45%	None	0.50%	1.39%	None	$12
Ages 21+	0.34%	0.45%	None	0.50%	1.29%	None	$12
Balanced Portfolio							
Ages 0-8	0.57%	0.45%	None	0.50%	1.52%	None	$12
Ages 9-12	0.54%	0.45%	None	0.50%	1.49%	None	$12
Ages 13-16	0.44%	0.45%	None	0.50%	1.39%	None	$12
Ages 17-20	0.34%	0.45%	None	0.50%	1.29%	None	$12
Ages 21+	0.29%	0.45%	None	0.50%	1.24%	None	$12
Individual Fund Portfolios							
BGI Institutional Money Market 529 Portfolio[5]	0.12%	0.45%	None	0.00%	0.57%	None	$12
BlackRock Inflation Protected Bond 529 Portfolio	0.45%	0.45%	None	0.50%	1.40%	None	$12
PIMCO Short-Term Bond 529 Portfolio	0.46%	0.45%	None	0.50%	1.41%	None	$12
PIMCO Low Duration 529 Portfolio	0.46%	0.45%	None	0.50%	1.41%	None	$12
PIMCO Total Return 529 Portfolio	0.52%	0.45%	None	0.50%	1.47%	None	$12
Calvert Income 529 Portfolio	0.53%	0.45%	None	0.50%	1.48%	None	$12
T Rowe Price Balanced 529 Portfolio	0.66%	0.45%	None	0.50%	1.61%	None	$12
Calvert Social Investment Equity 529 Portfolio	0.67%	0.45%	None	0.50%	1.62%	None	$12
T Rowe Price Real Estate 529 Portfolio	0.74%	0.45%	None	0.50%	1.69%	None	$12
ING Global Real Estate 529 Portfolio	1.01%	0.45%	None	0.50%	1.96%	None	$12
Eaton Vance Large-Cap Value 529 Portfolio	0.73%	0.45%	None	0.50%	1.68%	None	$12
T Rowe Price Equity Income 529 Portfolio	0.67%	0.45%	None	0.50%	1.62%	None	$12
American Century Value 529 Portfolio	0.80%	0.45%	None	0.50%	1.75%	None	$12
American Century Equity Growth 529 Portfolio	0.47%	0.45%	None	0.50%	1.42%	None	$12
Northern Instl Equity Index 529 Portfolio	0.21%	0.45%	None	0.50%	1.16%	None	$12
American Century Growth 529 Portfolio	0.80%	0.45%	None	0.50%	1.75%	None	$12
T Rowe Price Instl Large-Cap Growth 529 Portfolio	0.58%	0.45%	None	0.50%	1.53%	None	$12
T Rowe Price Ext Eq Market Index 529 Portfolio	0.40%	0.45%	None	0.50%	1.35%	None	$12
American Century Vista 529 Portfolio	0.80%	0.45%	None	0.50%	1.75%	None	$12
Northern Small Cap Value 529 Portfolio	1.00%	0.45%	None	0.50%	1.95%	None	$12
Northern Instl Small Co Index 529 Portfolio	0.31%	0.45%	None	0.50%	1.26%	None	$12
Delaware Small Cap Core 529 Portfolio	1.10%	0.45%	None	0.50%	2.05%	None	$12
William Blair Small Cap Growth 529 Portfolio	1.20%	0.45%	None	0.50%	2.15%	None	$12
AllianceBernstein Intl Value 529 Portfolio	0.84%	0.45%	None	0.50%	1.79%	None	$12
Northern Instl Intl Equity Index 529 Portfolio	0.41%	0.45%	None	0.50%	1.36%	None	$12
Oppenheimer Intl Growth 529 Portfolio	0.74%	0.45%	None	0.50%	1.69%	None	$12
Female & Minority Owned Growth Portfolio	1.10%	0.45%	None	0.50%	2.05%	None	$12
Earnest Partners Fixed Income 529 Portfolio	0.40%	0.45%	None	0.50%	1.35%	None	$12
Sit Dividend Growth 529 Portfolio	1.02%	0.45%	None	0.50%	1.97%	None	$12
Payden U.S. Growth Leaders 529 Portfolio	0.98%	0.45%	None	0.50%	1.93%	None	$12
Ariel Fund 529 Portfolio	1.07%	0.45%	None	0.50%	2.02%	None	$12
NCM Capital Mid-Cap Growth 529 Portfolio	1.56%	0.45%	None	0.50%	2.51%	None	$12
FMA Small Company 529 Portfolio	1.38%	0.45%	None	0.50%	2.33%	None	$12
Forward Small Cap Equity 529 Portfolio	1.37%	0.45%	None	0.50%	2.32%	None	$12
Adelante U.S. Real Estate 529 Portfolio	0.90%	0.45%	None	0.50%	1.85%	None	$12

Fee Structure E

	Annual Asset-Based Fees					Additional Investor Expenses	
	Estimated Underlying Fund Expenses[1]	Program Management Fees	State Fee[2]	Annual Servicing Fee	Total Annual Asset-Based Fees	Maximum Initial Sales Charge[3]	Account Fee[4]
Target Portfolios							
Fund 100	0.62%	0.45%	None	0.25%	1.32%	None	$12
Fund 80	0.59%	0.45%	None	0.25%	1.29%	None	$12
Fund 60	0.57%	0.45%	None	0.25%	1.27%	None	$12
Fund 40	0.54%	0.45%	None	0.25%	1.24%	None	$12
Fund 20	0.44%	0.45%	None	0.25%	1.14%	None	$12
Fund 10	0.34%	0.45%	None	0.25%	1.04%	None	$12
Fixed Income Fund	0.29%	0.45%	None	0.25%	0.99%	None	$12
Age Based Portfolios							
Aggressive Portfolio							
Ages 0-8	0.62%	0.45%	None	0.25%	1.32%	None	$12
Ages 9-12	0.59%	0.45%	None	0.25%	1.29%	None	$12
Ages 13-16	0.57%	0.45%	None	0.25%	1.27%	None	$12
Ages 17-20	0.54%	0.45%	None	0.25%	1.24%	None	$12
Ages 21+	0.44%	0.45%	None	0.25%	1.14%	None	$12
Growth Portfolio							
Ages 0-8	0.59%	0.45%	None	0.25%	1.29%	None	$12
Ages 9-12	0.57%	0.45%	None	0.25%	1.27%	None	$12
Ages 13-16	0.54%	0.45%	None	0.25%	1.24%	None	$12
Ages 17-20	0.44%	0.45%	None	0.25%	1.14%	None	$12
Ages 21+	0.34%	0.45%	None	0.25%	1.04%	None	$12
Balanced Portfolio							
Ages 0-8	0.57%	0.45%	None	0.25%	1.27%	None	$12
Ages 9-12	0.54%	0.45%	None	0.25%	1.24%	None	$12
Ages 13-16	0.44%	0.45%	None	0.25%	1.14%	None	$12
Ages 17-20	0.34%	0.45%	None	0.25%	1.04%	None	$12
Ages 21+	0.29%	0.45%	None	0.25%	0.99%	None	$12
Individual Fund Portfolios							
BGI Institutional Money Market 529 Portfolio[5]	0.12%	0.45%	None	0.00%	0.57%	None	$12
BlackRock Inflation Protected Bond 529 Portfolio	0.45%	0.45%	None	0.25%	1.15%	None	$12
PIMCO Short-Term Bond 529 Portfolio	0.46%	0.45%	None	0.25%	1.16%	None	$12
PIMCO Low Duration 529 Portfolio	0.46%	0.45%	None	0.25%	1.16%	None	$12
PIMCO Total Return 529 Portfolio	0.52%	0.45%	None	0.25%	1.22%	None	$12
Calvert Income 529 Portfolio	0.53%	0.45%	None	0.25%	1.23%	None	$12
T Rowe Price Balanced 529 Portfolio	0.66%	0.45%	None	0.25%	1.36%	None	$12
Calvert Social Investment Equity 529 Portfolio	0.67%	0.45%	None	0.25%	1.37%	None	$12
T Rowe Price Real Estate 529 Portfolio	0.74%	0.45%	None	0.25%	1.44%	None	$12
ING Global Real Estate 529 Portfolio	1.01%	0.45%	None	0.25%	1.71%	None	$12
Eaton Vance Large-Cap Value 529 Portfolio	0.73%	0.45%	None	0.25%	1.43%	None	$12
T Rowe Price Equity Income 529 Portfolio	0.67%	0.45%	None	0.25%	1.37%	None	$12
American Century Value 529 Portfolio	0.80%	0.45%	None	0.25%	1.50%	None	$12
American Century Equity Growth 529 Portfolio	0.47%	0.45%	None	0.25%	1.17%	None	$12
Northern Instl Equity Index 529 Portfolio	0.21%	0.45%	None	0.25%	0.91%	None	$12
American Century Growth 529 Portfolio	0.80%	0.45%	None	0.25%	1.50%	None	$12
T Rowe Price Instl Large-Cap Growth 529 Portfolio	0.58%	0.45%	None	0.25%	1.28%	None	$12
T Rowe Price Ext Eq Market Index 529 Portfolio	0.40%	0.45%	None	0.25%	1.10%	None	$12
American Century Vista 529 Portfolio	0.80%	0.45%	None	0.25%	1.50%	None	$12
Northern Small Cap Value 529 Portfolio	1.00%	0.45%	None	0.25%	1.70%	None	$12
Northern Instl Small Co Index 529 Portfolio	0.31%	0.45%	None	0.25%	1.01%	None	$12
Delaware Small Cap Core 529 Portfolio	1.10%	0.45%	None	0.25%	1.80%	None	$12
William Blair Small Cap Growth 529 Portfolio	1.20%	0.45%	None	0.25%	1.90%	None	$12
AllianceBernstein Intl Value 529 Portfolio	0.84%	0.45%	None	0.25%	1.54%	None	$12
Northern Instl Intl Equity Index 529 Portfolio	0.41%	0.45%	None	0.25%	1.11%	None	$12
Oppenheimer Intl Growth 529 Portfolio	0.74%	0.45%	None	0.25%	1.44%	None	$12
Female & Minority Owned Growth Portfolio	1.10%	0.45%	None	0.25%	1.80%	None	$12
Earnest Partners Fixed Income 529 Portfolio	0.40%	0.45%	None	0.25%	1.10%	None	$12
Sit Dividend Growth 529 Portfolio	1.02%	0.45%	None	0.25%	1.72%	None	$12
Payden U.S. Growth Leaders 529 Portfolio	0.98%	0.45%	None	0.25%	1.68%	None	$12
Ariel Fund 529 Portfolio	1.07%	0.45%	None	0.25%	1.77%	None	$12
NCM Capital Mid-Cap Growth 529 Portfolio	1.56%	0.45%	None	0.25%	2.26%	None	$12
FMA Small Company 529 Portfolio	1.38%	0.45%	None	0.25%	2.08%	None	$12
Forward Small Cap Equity 529 Portfolio	1.37%	0.45%	None	0.25%	2.07%	None	$12
Adelante U.S. Real Estate 529 Portfolio	0.90%	0.45%	None	0.25%	1.60%	None	$12

Fee Structure F

	Annual Asset-Based Fees					Additional Investor Expenses	
	Estimated Underlying Fund Expenses[1]	Program Management Fees	State Fee[2]	Annual Servicing Fee	Total Annual Asset-Based Fees	Maximum Initial Sales Charge[3]	Account Fee[4]
Target Portfolios							
Fund 100	0.62%	0.45%	None	None	1.07%	None	$12
Fund 80	0.59%	0.45%	None	None	1.04%	None	$12
Fund 60	0.57%	0.45%	None	None	1.02%	None	$12
Fund 40	0.54%	0.45%	None	None	0.99%	None	$12
Fund 20	0.44%	0.45%	None	None	0.89%	None	$12
Fund 10	0.34%	0.45%	None	None	0.79%	None	$12
Fixed Income Fund	0.29%	0.45%	None	None	0.74%	None	$12
Age Based Portfolios							
Aggressive Portfolio							
Ages 0-8	0.62%	0.45%	None	None	1.07%	None	$12
Ages 9-12	0.59%	0.45%	None	None	1.04%	None	$12
Ages 13-16	0.57%	0.45%	None	None	1.02%	None	$12
Ages 17-20	0.54%	0.45%	None	None	0.99%	None	$12
Ages 21+	0.44%	0.45%	None	None	0.89%	None	$12
Growth Portfolio							
Ages 0-8	0.59%	0.45%	None	None	1.04%	None	$12
Ages 9-12	0.57%	0.45%	None	None	1.02%	None	$12
Ages 13-16	0.54%	0.45%	None	None	0.99%	None	$12
Ages 17-20	0.44%	0.45%	None	None	0.89%	None	$12
Ages 21+	0.34%	0.45%	None	None	0.79%	None	$12
Balanced Portfolio							
Ages 0-8	0.57%	0.45%	None	None	1.02%	None	$12
Ages 9-12	0.54%	0.45%	None	None	0.99%	None	$12
Ages 13-16	0.44%	0.45%	None	None	0.89%	None	$12
Ages 17-20	0.34%	0.45%	None	None	0.79%	None	$12
Ages 21+	0.29%	0.45%	None	None	0.74%	None	$12
Individual Fund Portfolios							
BGI Institutional Money Market 529 Portfolio[5]	0.12%	0.45%	None	None	0.57%	None	$12
BlackRock Inflation Protected Bond 529 Portfolio	0.45%	0.45%	None	None	0.90%	None	$12
PIMCO Short-Term Bond 529 Portfolio	0.46%	0.45%	None	None	0.91%	None	$12
PIMCO Low Duration 529 Portfolio	0.46%	0.45%	None	None	0.91%	None	$12
PIMCO Total Return 529 Portfolio	0.52%	0.45%	None	None	0.97%	None	$12
Calvert Income 529 Portfolio	0.53%	0.45%	None	None	0.98%	None	$12
T Rowe Price Balanced 529 Portfolio	0.66%	0.45%	None	None	1.11%	None	$12
Calvert Social Investment Equity 529 Portfolio	0.67%	0.45%	None	None	1.12%	None	$12
T Rowe Price Real Estate 529 Portfolio	0.74%	0.45%	None	None	1.19%	None	$12
ING Global Real Estate 529 Portfolio	1.01%	0.45%	None	None	1.46%	None	$12
Eaton Vance Large-Cap Value 529 Portfolio	0.73%	0.45%	None	None	1.18%	None	$12
T Rowe Price Equity Income 529 Portfolio	0.67%	0.45%	None	None	1.12%	None	$12
American Century Value 529 Portfolio	0.80%	0.45%	None	None	1.25%	None	$12
American Century Equity Growth 529 Portfolio	0.47%	0.45%	None	None	0.92%	None	$12
Northern Instl Equity Index 529 Portfolio	0.21%	0.45%	None	None	0.66%	None	$12
American Century Growth 529 Portfolio	0.80%	0.45%	None	None	1.25%	None	$12
T Rowe Price Instl Large-Cap Growth 529 Portfolio	0.58%	0.45%	None	None	1.03%	None	$12
T Rowe Price Ext Eq Market Index 529 Portfolio	0.40%	0.45%	None	None	0.85%	None	$12
American Century Vista 529 Portfolio	0.80%	0.45%	None	None	1.25%	None	$12
Northern Small Cap Value 529 Portfolio	1.00%	0.45%	None	None	1.45%	None	$12
Northern Instl Small Co Index 529 Portfolio	0.31%	0.45%	None	None	0.76%	None	$12
Delaware Small Cap Core 529 Portfolio	1.10%	0.45%	None	None	1.55%	None	$12
William Blair Small Cap Growth 529 Portfolio	1.20%	0.45%	None	None	1.65%	None	$12
AllianceBernstein Intl Value 529 Portfolio	0.84%	0.45%	None	None	1.29%	None	$12
Northern Instl Intl Equity Index 529 Portfolio	0.41%	0.45%	None	None	0.86%	None	$12
Oppenheimer Intl Growth 529 Portfolio	0.74%	0.45%	None	None	1.19%	None	$12
Female & Minority Owned Growth Portfolio	1.10%	0.45%	None	None	1.55%	None	$12
Earnest Partners Fixed Income 529 Portfolio	0.40%	0.45%	None	None	0.85%	None	$12
Sit Dividend Growth 529 Portfolio	1.02%	0.45%	None	None	1.47%	None	$12
Payden U.S. Growth Leaders 529 Portfolio	0.98%	0.45%	None	None	1.43%	None	$12
Ariel Fund 529 Portfolio	1.07%	0.45%	None	None	1.52%	None	$12
NCM Capital Mid-Cap Growth 529 Portfolio	1.56%	0.45%	None	None	2.01%	None	$12
FMA Small Company 529 Portfolio	1.38%	0.45%	None	None	1.83%	None	$12
Forward Small Cap Equity 529 Portfolio	1.37%	0.45%	None	None	1.82%	None	$12
Adelante U.S. Real Estate 529 Portfolio	0.90%	0.45%	None	None	1.35%	None	$12

Hypothetical Expense Example

The following table compares the approximate cost of investing in the Program over different periods of time. Your actual costs may be higher or lower. The hypothetical chart assumes an initial $10,000 investment in a Program Portfolio and a 5% annual rate of return, compounded annually. All expense ratios and asset allocations are assumed to remain the same for the duration of the periods.

The $10 setup fee and the $3 quarterly account fee have been included in the calculation. The chart assumes that all withdrawals are made for Higher Education Costs and, therefore, does not reflect the impact of potential federal, state, or local taxes. This hypothetical does not reflect actual expenses or performance from the past or future. Actual expenses may be higher or lower than those shown.

HYPOTHETICAL EXPENSE EXAMPLE

	1 Year				3 Years				5 Years				10 Years			
	A	C	E	F	A	C	E	F	A	C	E	F	A	C	E	F
Target Portfolios																
Fund 100	$502	$183	$157	$131	$801	$544	$466	$387	$1,119	$928	$795	$661	$2,012	$1,996	$1,717	$1,432
Fund 80	$499	$180	$154	$128	$792	$535	$456	$378	$1,104	$912	$779	$644	$1,979	$1,963	$1,684	$1,397
Fund 60	$497	$178	$152	$126	$786	$528	$450	$371	$1,094	$901	$768	$634	$1,957	$1,941	$1,661	$1,374
Fund 40	$494	$174	$149	$123	$777	$519	$441	$362	$1,078	$885	$752	$617	$1,924	$1,907	$1,627	$1,339
Fund 20	$485	$164	$139	$113	$746	$488	$409	$330	$1,026	$832	$698	$563	$1,814	$1,796	$1,513	$1,222
Fund 10	$475	$154	$128	$103	$716	$456	$378	$299	$974	$779	$644	$509	$1,703	$1,684	$1,397	$1,104
Fixed Income Fund	$470	$149	$123	$98	$701	$441	$362	$283	$948	$752	$617	$481	$1,647	$1,627	$1,339	$1,045
Age Based Portfolios																
Aggressive Portfolio																
Ages 0-8	$502	$183	$157	$131	$801	$544	$466	$387	$1,119	$928	$795	$661	$2,012	$1,996	$1,717	$1,432
Ages 9-12	$499	$180	$154	$128	$792	$535	$456	$378	$1,104	$912	$779	$644	$1,979	$1,963	$1,684	$1,397
Ages 13-16	$497	$178	$152	$126	$786	$528	$450	$371	$1,094	$901	$768	$634	$1,957	$1,941	$1,661	$1,374
Ages 17-20	$494	$174	$149	$123	$777	$519	$441	$362	$1,078	$885	$752	$617	$1,924	$1,907	$1,627	$1,339
Ages 21+	$485	$164	$139	$113	$746	$488	$409	$330	$1,026	$832	$698	$563	$1,814	$1,796	$1,513	$1,222

HYPOTHETICAL EXPENSE EXAMPLE (Continued)

	1 Year				3 Years				5 Years				10 Years			
	A	C	E	F	A	C	E	F	A	C	E	F	A	C	E	F
Growth Portfolio																
Ages 0-8	$499	$180	$154	$128	$792	$535	$456	$378	$1,104	$912	$779	$644	$1,979	$1,963	$1,684	$1,397
Ages 9-12	$497	$178	$152	$126	$786	$528	$450	$371	$1,094	$901	$768	$634	$1,957	$1,941	$1,661	$1,374
Ages 13-16	$494	$174	$149	$123	$777	$519	$441	$362	$1,078	$885	$752	$617	$1,924	$1,907	$1,627	$1,339
Ages 17-20	$485	$164	$139	$113	$746	$488	$409	$330	$1,026	$832	$698	$563	$1,814	$1,796	$1,513	$1,222
Ages 21+	$475	$154	$128	$103	$716	$456	$378	$299	$974	$779	$644	$509	$1,703	$1,684	$1,397	$1,104
Balanced Portfolio																
Ages 0-8	$497	$178	$152	$126	$786	$528	$450	$371	$1,094	$901	$768	$634	$1,957	$1,941	$1,661	$1,374
Ages 9-12	$494	$174	$149	$123	$777	$519	$441	$362	$1,078	$885	$752	$617	$1,924	$1,907	$1,627	$1,339
Ages 13-16	$485	$164	$139	$113	$746	$488	$409	$330	$1,026	$832	$698	$563	$1,814	$1,796	$1,513	$1,222
Ages 17-20	$475	$154	$128	$103	$716	$456	$378	$299	$974	$779	$644	$509	$1,703	$1,684	$1,397	$1,104
Ages 21+	$470	$149	$123	$98	$701	$441	$362	$283	$948	$752	$617	$481	$1,647	$1,627	$1,339	$1,045
Individual Fund Portfolios																
BGI Institutional Money Market 529 Portfolio	$80	$80	$80	$80	$229	$229	$229	$229	$388	$388	$388	$388	$840	$840	$840	$840
BlackRock Inflation Protected Bond 529 Portfolio	$486	$165	$140	$114	$749	$491	$412	$333	$1,031	$837	$704	$568	$1,825	$1,807	$1,524	$1,234
PIMCO Short-Term Bond 529 Portfolio	$141	$166	$141	$115	$415	$494	$415	$337	$709	$843	$709	$574	$1,536	$1,818	$1,536	$1,246
PIMCO Low Duration 529 Portfolio	$141	$166	$141	$115	$415	$494	$415	$337	$709	$843	$709	$574	$1,536	$1,818	$1,536	$1,246
PIMCO Total Return 529 Portfolio	$492	$172	$147	$121	$771	$513	$434	$356	$1,068	$875	$741	$606	$1,902	$1,885	$1,604	$1,316
Calvert Income 529 Portfolio	$493	$173	$148	$122	$774	$516	$437	$359	$1,073	$880	$747	$612	$1,913	$1,896	$1,616	$1,328
T Rowe Price Balanced 529 Portfolio	$506	$187	$161	$136	$813	$556	$478	$400	$1,140	$949	$816	$682	$2,055	$2,040	$1,762	$1,478
Calvert Social Investment Equity 529 Portfolio	$507	$188	$162	$137	$816	$560	$481	$403	$1,145	$954	$822	$688	$2,066	$2,051	$1,774	$1,490
T Rowe Price Real Estate 529 Portfolio	$514	$195	$169	$144	$837	$581	$503	$425	$1,181	$991	$859	$725	$2,141	$2,127	$1,852	$1,570
ING Global Real Estate 529 Portfolio	$541	$223	$197	$171	$919	$665	$588	$510	$1,319	$1,132	$1,002	$869	$2,428	$2,417	$2,149	$1,874
Eaton Vance Large-Cap Value 529 Portfolio	$513	$194	$168	$143	$834	$578	$500	$422	$1,176	$986	$853	$720	$2,131	$2,116	$1,841	$1,559
T Rowe Price Equity Income 529 Portfolio	$507	$188	$162	$137	$816	$560	$481	$403	$1,145	$954	$822	$688	$2,066	$2,051	$1,774	$1,490
American Century Value 529 Portfolio	$520	$201	$176	$150	$855	$600	$522	$444	$1,212	$1,023	$891	$757	$2,206	$2,192	$1,919	$1,638
American Century Equity Growth 529 Portfolio	$488	$167	$142	$116	$756	$497	$419	$340	$1,042	$848	$714	$579	$1,847	$1,830	$1,547	$1,258
Northern Instl Equity Index 529 Portfolio	$462	$141	$115	$90	$676	$415	$337	$257	$906	$709	$574	$437	$1,557	$1,536	$1,246	$949
American Century Growth 529 Portfolio	$520	$201	$176	$150	$855	$600	$522	$444	$1,212	$1,023	$891	$757	$2,206	$2,192	$1,919	$1,638
T Rowe Price Instl Large-Cap Growth 529 Portfolio	$498	$179	$153	$127	$789	$531	$453	$374	$1,099	$907	$773	$639	$1,968	$1,952	$1,672	$1,386
T Rowe Price Ext Eq Market Index 529 Portfolio	$481	$160	$135	$109	$734	$475	$397	$318	$1,005	$811	$677	$541	$1,770	$1,751	$1,467	$1,175
American Century Vista 529 Portfolio	$520	$201	$176	$150	$855	$600	$522	$444	$1,212	$1,023	$891	$757	$2,206	$2,192	$1,919	$1,638
Northern Small Cap Value 529 Portfolio	$540	$222	$196	$170	$916	$662	$584	$506	$1,314	$1,127	$996	$864	$2,417	$2,406	$2,138	$1,863
Northern Instl Small Co Index 529 Portfolio	$472	$151	$125	$100	$707	$447	$368	$289	$959	$763	$628	$492	$1,669	$1,650	$1,363	$1,069
Delaware Small Cap Core 529 Portfolio	$550	$232	$206	$181	$946	$693	$616	$538	$1,364	$1,179	$1,049	$917	$2,521	$2,512	$2,246	$1,974
William Blair Small Cap Growth 529 Portfolio	$560	$242	$216	$191	$976	$724	$647	$569	$1,415	$1,231	$1,101	$970	$2,625	$2,616	$2,353	$2,083
AllianceBernstein Intl Value 529 Portfolio	$524	$205	$180	$154	$867	$612	$535	$456	$1,232	$1,043	$912	$779	$2,248	$2,235	$1,963	$1,684
Northern Instl Intl Equity Index 529 Portfolio	$482	$161	$136	$110	$737	$478	$400	$321	$1,011	$816	$682	$547	$1,781	$1,762	$1,478	$1,187
Oppenheimer Intl Growth 529 Portfolio	$514	$195	$169	$144	$837	$581	$503	$425	$1,181	$991	$859	$725	$2,141	$2,127	$1,852	$1,570
Female & Minority Owned Growth Portfolio	$550	$232	$206	$181	$946	$693	$616	$538	$1,364	$1,179	$1,049	$917	$2,521	$2,512	$2,246	$1,974
Earnest Partners Fixed Income 529 Portfolio	$481	$160	$135	$109	$734	$475	$397	$318	$1,005	$811	$677	$541	$1,770	$1,751	$1,467	$1,175
Sit Dividend Growth 529 Portfolio	$542	$224	$198	$172	$922	$668	$591	$513	$1,324	$1,137	$1,007	$875	$2,438	$2,427	$2,160	$1,885
Payden U.S. Growth Leaders 529 Portfolio	$538	$220	$194	$168	$910	$656	$578	$500	$1,304	$1,117	$986	$853	$2,396	$2,385	$2,116	$1,841
Ariel Fund 529 Portfolio	$547	$229	$203	$178	$937	$684	$606	$528	$1,349	$1,163	$1,033	$901	$2,490	$2,480	$2,214	$1,941
NCM Capital Mid-Cap Growth 529 Portfolio	$595	$279	$253	$228	$1,083	$835	$758	$681	$1,595	$1,415	$1,287	$1,158	$2,988	$2,983	$2,730	$2,469
FMA Small Company 529 Portfolio	$577	$260	$235	$209	$1,029	$779	$702	$625	$1,505	$1,323	$1,194	$1,064	$2,808	$2,801	$2,543	$2,278
Forward Small Cap Equity 529 Portfolio	$576	$259	$234	$208	$1,026	$776	$699	$622	$1,500	$1,318	$1,189	$1,059	$2,798	$2,791	$2,533	$2,267
Adelante U.S. Real Estate 529 Portfolio	$530	$211	$186	$160	$886	$631	$553	$475	$1,263	$1,075	$944	$811	$2,312	$2,300	$2,029	$1,751

Will My Financial Advisor Be Paid for Providing Assistance With Respect to My Account?
Your financial advisor will be paid the following commissions and service fees by the Distributor in connection with the establishment and maintenance of your Account:

Fee Structure A – your financial advisor will be paid a 3.00% commission on each new Contribution plus an amount equal to 0.25% of the average daily net assets in your Account which remain invested in Fee Structure A.

Your financial advisor will not receive any commission on Contributions under Fee Structure A to the BGI Institutional Money Market 529 Portfolio, the PIMCO Short-Term 529 Portfolio, or the PIMCO Low Duration 529 Portfolio. However, if you transfer funds contributed under Fee Structure A from the BGI Institutional Money Market 529 Portfolio, the PIMCO Short-Term 529 Portfolio, or the PIMCO Low Duration 529 Portfolio to another Portfolio in the Plan, your financial advisor will receive a 3.00% commission from the sales charge assessed in connection with the transfer of funds into such new Portfolio.

Fee Structure C – your financial advisor will be paid a 0.50% commission on each new Contribution, plus an amount equal to 0.50% of the average daily net assets in your Account which remain invested in Fee Structure C for more than twelve months.

Effective May 1, 2009, your financial advisor will not receive any commission on Contributions under Fee Structure C to the BGI Institutional Money Market 529 Portfolio.

Fee Structure E – your financial advisor will not be paid a commission on each new Contribution, but will be paid an amount equal to 0.25% of the average daily net assets in your Account.

Fee Structure F – your financial advisor will not be paid a commission or servicing fee with respect to your Account. Fee Structure F is only available to Account Owners who establish their Account through registered investment advisors or other financial advisors who are not compensated through commissions, but rather through payment of an hourly fee or a percentage of assets under management.

Your financial advisor will not receive a 3.00% commission on any Contributions for which the initial sales charge has been waived. In addition, effective May 1, 2009, your financial advisor will not receive a percentage of the average daily net assets in your Account for any balances in the BGI Institutional Money Market 529 Portfolio.

FEDERAL AND STATE TAX CONSIDERATIONS

What Are the Federal Income Tax Advantages of the Program?
There are two main federal income tax advantages to investing in the Program:

- Investment earnings on the money you invest in the Program will not be subject to federal income tax until they are distributed; and
- If the investment earnings are distributed as part of a Qualified Withdrawal, they are free from federal income tax.

There are also potential federal income tax disadvantages to an investment in the Program. To the extent that a distribution from an Account is a Nonqualified Withdrawal, the portion of the Nonqualified Withdrawal attributable to investment earnings will be ordinary income to the recipient; no part of such earnings portion will be treated as capital gain. Under current law, the tax rates on ordinary income are generally greater than the tax rates on capital gain. Additionally, to the extent that a distribution is a Nonqualified Withdrawal, the federal income tax liability of the recipient will be increased by an amount equal to 10% of any earnings portion of the distribution. However, this 10% federal penalty tax will not apply if the Nonqualified Withdrawal is paid to a Beneficiary (or the estate of a Beneficiary) on or after the death of the Beneficiary, is made on account of the disability of the Beneficiary, or to the extent of the amount of certain scholarships or other allowances or payments received by the Beneficiary. A Qualified Rollover Distribution is not subject to federal income tax or the 10% federal penalty tax. For a more detailed description of federal tax aspects of the Plan, see "Exhibit B - Tax Information."

Are Contributions to the Program Tax Deductible?
Federal law does not allow a tax deduction for Contributions to the Program. However, Contributions may be deductible for Illinois State income tax purposes.

What Are the State Income Tax Advantages of the Program?
Legislation governing the tax treatment of the Accounts was passed by the Illinois General Assembly in 2000, and became effective as of January 1, 2001. Illinois law provides that the assets of the Program and its income are exempt from all taxation by the State of Illinois and any of its subdivisions and that the accrued earnings on investments in the Program disbursed on behalf of a Beneficiary are exempt from all taxation by the State of Illinois and its subdivisions, so long as they are used for the Beneficiary's Higher Education Costs. You should consult your tax advisor regarding the Illinois State income tax treatment of investments under the Program.

For tax years beginning on or after January 1, 2005, individuals who file individual Illinois State income tax returns will be able to deduct up to $10,000 per tax year for their total, combined contributions to the Program, to the Bright Start College Savings

Program, and to College Illinois! during that tax year. The Illinois Department of Revenue has stated, in informal advice that is not binding on the Department, that

- A deduction of up to $20,000 will be permitted for married taxpayers filing joint Illinois State income tax returns for their total, combined contributions to the Program, to the Bright Start College Savings Program, and to College Illinois! during that tax year; and
- The $10,000 (individual) and $20,000 (joint) limitations on deductions will apply to the total contributions made to the Program, to the Bright Start College Savings Program, and College Illinois! without regard to whether the contributions are made to a single account or more than one account.

A contribution must be post-marked no later than December 31st of a tax year in order to be eligible to be deducted with respect to such tax year. The Illinois Department of Revenue has stated (in a non-binding general information letter) that the state income tax deduction is available to any individual who contributes to an Account and files an Illinois State income tax return. The deduction for Illinois individual income tax purposes for contributions to the Program does not apply to transfers between accounts of different designated beneficiaries. The Illinois Department of Revenue has stated (in informal guidance that is not binding on the Department) that in the case of a rollover, the amount of the rollover that is treated as a return of the original contribution to the prior qualified tuition program (but not the earnings portion of the rollover) is eligible for the deduction for Illinois individual income tax purposes.

Before investing in the Bright Directions® College Savings Program you should consider carefully the following:

1. **Depending on the laws of your home state or that of your designated beneficiary, favorable state tax treatment or other benefits offered by such home state for investing in 529 college savings plans may be available only if you invest in such home state's 529 college savings plan;**
2. **Any state-based benefit offered with respect to a particular 529 college savings plan should be one of many appropriately weighted factors to be considered in making an investment decision; and**
3. **You should consult with your financial, tax or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You may also wish to contact your home state or any other 529 college savings plan to learn more about the features, benefits and limitations of that state's 529 college savings plan.**

Are There Other Illinois State Income Tax Considerations?
For taxable years beginning on or after January 1, 2007, Illinois law provides for the recapture of Illinois state tax benefits in the event an Account Owner rolls over an Account to an out-of-state qualified tuition program. The adjusted gross income of an Illinois taxpayer who rolls over an Account to an out-of-state qualified tuition program will be increased by the amount of money the Account Owner has previously deducted from his or her Illinois base income for contributions made to the Program. Before rolling over your Account to an out-of-state qualified tuition program, you should consult with your legal and tax advisors.

For taxable years beginning on or after January 1, 2007, the earnings portion of distributions from non-Illinois qualified tuition programs are no longer subject to Illinois income tax so long as the non-Illinois qualified tuition program adopts and determines that its offering materials comply with the College Savings Plan Network's disclosure principles and has made reasonable efforts to inform Illinois residents and financial intermediaries distributing the non-Illinois program of the existence of Illinois qualified tuition programs.

How Is the Earnings Portion of My Account Calculated?
For any year there is a withdrawal from your Account, the Program Manager will provide you a Form 1099-Q. This form sets forth the total amount of the withdrawal and identifies the earnings portion and the contribution portion of any such withdrawal. All Accounts for the benefit of a single Beneficiary and having the same Account Owner, including any accounts in other Illinois Section 529 plans, must be treated as a single account for purposes of calculating the earnings portion of each withdrawal. Thus, if more than one Account is established for a Beneficiary that has the same Account Owner and a Nonqualified Withdrawal is made from one or more accounts, the amount includible in taxable income must be calculated based on the earnings portion of all accounts. Thus, the amount withdrawn from an Account may carry with it a greater or lesser amount of income than the earnings portion of that Account alone, depending on the earnings portion of other accounts for that Beneficiary. In the case of a Nonqualified Withdrawal or other taxable distribution, this aggregation rule may result in an Account Owner being taxed upon more or less income than that directly attributable to the earnings portion of the Account from which the withdrawal was made. See "Exhibit B – Tax Information."

What Are the Federal Gift and Estate Tax Advantages of the Program?
For federal gift tax purposes, Contributions to an Account are considered a gift from the contributor to the Beneficiary. If an Account Owner dies while there is a balance in the Account, the value of the Account is not includible in the Account Owner's estate for federal estate tax purposes. An Account Owner's contributions to an Account are eligible for the annual gift tax exclusion. For 2009, the annual exclusion is $13,000 per donee ($26,000 for a married couple). This means that in 2009 you may contribute up to $13,000 to an Account, without the

Contribution being considered a taxable gift if you make no other gifts to the Beneficiary in the same year. In addition, if your total Contributions to an Account during a year exceed the annual exclusion for that year, you may elect to have the amount you contributed that year treated as though you made one-fifth of the Contribution that year, and one-fifth of the Contribution in each of the next four calendar years. You must make this election on your Federal Gift Tax Return Form 709.

This means that you may contribute up to $65,000 to an Account in 2009, without the Contribution being considered a taxable gift, provided that you make no other gifts to the Beneficiary in the same year or in any of the succeeding four calendar years. Moreover, a married contributor whose spouse elects on a Federal Gift Tax Return to have gifts treated as "split" with the contributor may contribute up to twice that amount ($130,000 in 2009) without the Contribution being considered a taxable gift, provided that neither spouse makes other gifts to the Beneficiary in the same year or in any of the succeeding four calendar years. The annual exclusion is indexed for inflation and therefore is expected to increase over time. See "Exhibit B – Tax Information."

Can I Contribute to the Program and a Coverdell Education Savings Account?

An individual may contribute to, or withdraw money from, both a 529 qualified tuition program account and a Coverdell Education Savings Account in the same year. However, to the extent the total withdrawals from both accounts exceed the amount of Higher Education Costs that qualify for tax-free treatment under Section 529 of the Code, the recipient must allocate his or her Higher Education Costs between both such withdrawals in order to determine how much may be treated as tax-free under each program.

DISTRIBUTIONS FROM AN ACCOUNT

How Do I Request a Distribution From an Account?

To request a distribution, you should contact your broker or other financial advisor or you may log on to your Account at www.brightdirections.com to complete a withdrawal request online. You may also download the Withdrawal Request Form and complete and submit the form as directed, or call the Bright Directions® College Savings Program at 866-722-7283 for instructions.

The Program Manager employs procedures it considers to be reasonable to confirm that instructions communicated by telephone or internet are genuine, including requiring certain personal identifying information prior to acting upon telephone or internet instructions. None of the Program Manager, the Pool, the Treasurer, nor the Distributor will be liable for following telephone or internet instructions that are reasonably believed to be genuine.

The Program Manager will review each withdrawal request to determine that all information needed to process such request has been received. Withdrawal requests will be satisfied as soon as practicable following the Program Manager's receipt and review of a properly completed Withdrawal Request. The Program typically will process the withdrawal and initiate payment of a distribution within three business days. During periods of market volatility and at year-end, withdrawal requests may take up to five business days to process.

If you have made a contribution by check or via an EFT or AIP, you may not be able to withdraw funds in your Account until your check has cleared or your EFT or AIP has been deducted from your bank account, and the Program has collected funds.

Although the Program Manager will report the earnings portion of a withdrawal, it is solely the responsibility of the person receiving the withdrawal to calculate and report any resulting tax liability.

What Constitutes a Qualified Withdrawal?

Qualified Withdrawals from your Account are free from federal and Illinois State income tax. A Qualified Withdrawal is a withdrawal that is used to pay the Higher Education Costs of the Account Beneficiary. Higher Education Costs currently include tuition, fees, books, supplies, and equipment required for the enrollment or attendance of the Beneficiary at an Institution of Higher Education. Reasonable room and board expenses are also considered Higher Education Costs for students enrolled on at least a half-time basis. Computers, computer equipment and Internet access and related services that the Beneficiary or the Beneficiary's family use during the time the Beneficiary is enrolled are also considered qualified higher education expenses if paid or incurred in 2009 or 2010. A Qualified Withdrawal may be distributed as follows:

- The distribution may be made directly to an Institution of Higher Education;
- The distribution may be made in the form of a check payable to both the Beneficiary and the Institution of Higher Education;
- The distribution may be made directly to the Beneficiary; or
- The distribution may be made to the Account Owner.

Should I Document Higher Education Costs?

Because money in your Account may be withdrawn free from federal and Illinois State income tax only if it is used to pay the Beneficiary's Higher Education Costs, you should retain documentation of all of the Beneficiary's Higher Education Costs for your records. The Account Owner or Beneficiary is responsible for determining whether a distribution from an Account is a Qualified or Nonqualified Withdrawal and for paying any applicable taxes or penalties.

When Must Withdrawals Begin?

There is no Beneficiary age or other deadline by which distributions from your Account must begin. It is important to match payment of expenses and the corresponding withdrawal in the same calendar year for tax purposes.

Can I Make Withdrawals for Other Purposes?

You may withdraw money from your Account at any time. However, to the extent that the withdrawal is a Nonqualified Withdrawal, any earnings portion of such Nonqualified Withdrawal will be includible in your income for federal income tax purposes, and the part so includible will generally also be subject to a 10% federal penalty tax. Certain exceptions to the imposition of the penalty tax apply. See "Exhibit B – Tax Information."

The Account Owner or Beneficiary is responsible for determining whether a distribution from an Account is a Qualified or Nonqualified Withdrawal and for paying any applicable taxes or penalties.

What Are the Exceptions to the Federal Penalty Tax?

The additional 10% federal penalty tax does not apply to all Nonqualified Withdrawals. Generally, Nonqualified Withdrawals made on account of the following are not subject to the 10% federal penalty tax:

- The death of the Beneficiary;
- The disability of the Beneficiary within the meaning of Section 72(m)(7) of the Code;
- If the Beneficiary receives a scholarship, allowance or payment described in Section 25A(g)(2) of the Code, to the extent the withdrawal does not exceed the amount of the scholarship, allowance or payment;
- If a Hope Scholarship Credit and/or Lifetime Learning Credit is allowed to any person for payment of the Beneficiary's Qualified Higher Education Costs, the Earnings Portion of the part of the Nonqualified Withdrawal equal to such expenses will not be subject to the penalty tax; and
- If the Beneficiary attends the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy, to the extent that the Nonqualified Withdrawal does not exceed the costs of "advanced education," as that term is defined in 10 U.S.C. Section 2005(e)(3), attributable to such attendance.

You should consult your tax advisor regarding the application of any of the above exceptions. See "Exhibit B – Tax Information."

May I Roll Over My Account?

You may direct a transfer of money from your Account to an account in another 529 qualified tuition program for the same or another Beneficiary. Alternatively, you may make a withdrawal from your Account and re-deposit the withdrawn balance within 60 days into an account in another 529 qualified tuition program for the same or another Beneficiary. If the Beneficiary stays the same, the transfer will be treated as an income tax-free Qualified Rollover Distribution as long as the transfer does not occur within 12 months from the date of a previous rollover to another 529 qualified tuition program for the Beneficiary. If you change beneficiaries, the transfer will be treated as a Qualified Rollover Distribution only if the new Beneficiary is a Member of the Family of the current Beneficiary.

For taxable years beginning on or after January 1, 2007, Illinois law provides for the recapture of Illinois State tax benefits in the event an Account Owner rolls over an Account to an out-of-state qualified tuition program. The adjusted gross income of an Illinois taxpayer who rolls over an Account to an out-of-state qualified tuition program will be increased by the amount of money the Account Owner has previously deducted from his or her Illinois base income for contributions made to the Program. Before rolling over your Account to an out-of-state qualified tuition program, you should consult with your legal and tax advisors.

What Happens to an Account If the Beneficiary Does Not Attend College?

If the Beneficiary of an Account does not pursue a higher education, you may withdraw the Account balance or change the Beneficiary of the Account. To the extent that you make a Nonqualified Withdrawal from the Account, any earnings portion of such Nonqualified Withdrawal will be includible in your income for federal income tax purposes and will be subject to a 10% federal penalty tax. A change of the Beneficiary of the Account will not result in any income tax consequences so long as the new Beneficiary is a Member of the Family of the current Beneficiary. For more information, see "Exhibit B – Tax Information."

How Do I Close an Account?

To withdraw all of the funds and close your Account, contact your broker or financial advisor. The Program does not charge any surrender or other withdrawal fees. However, if you have made a Contribution by check, EFT, or AIP, you may not be able to withdraw funds in your Account until the check through which you made your Contributions clears and the Program has collected funds.

LIMITATIONS AND PENALTIES

Are There Limits on Investment Changes?

Under federal law, neither you nor the Beneficiary may exercise investment discretion, directly or indirectly, over Contributions to an Account or any earnings on such Contributions. As a result, federal law only allows you to change the Portfolio or Portfolios in which Contributions or any earnings on such Contributions are invested once per calendar year, or upon a change of Beneficiary. However, during calendar year 2009, you may change the Portfolio or Portfolios in which your Account is invested twice, or at any time upon a change of Beneficiary.

If an Account Owner has multiple accounts in the Program for the same Beneficiary, or multiple accounts in the Program and the Bright Start College Savings Program, the Account Owner may change the Portfolios in all such accounts without tax consequences, so long as the changes to all of the accounts are made at the same time and no more frequently than once per calendar year (twice per calendar year in 2009) or upon a change of Beneficiary.

Can I Transfer My Account to Other Programs in the Pool?

Accounts in the Pool are also offered and sold through the Bright Start College Savings Program. You may transfer money from the Bright Start College Savings Program to your Bright Directions® College Savings Program Account or from your Account to the Bright Start College Savings Program without the imposition of any penalties. However, any such transfer constitutes a change in the investment option in which your Account is invested and therefore may occur only once per calendar year (twice per calendar year in 2009), or upon a change of Beneficiary.

Are There Limitations on Transfers Out of the Program?

The Program does not charge a surrender fee, a contingent deferred sales charge, or any other fee to transfer out of the Program. You may roll over your Account to another 529 qualified tuition program without potentially adverse federal income tax consequences only if the rollover does not occur within 12 months from the date of a previous rollover to another 529 qualified tuition program for the Beneficiary, or upon a change of Beneficiary.

For taxable years beginning on or after January 1, 2007, Illinois law provides for the recapture of Illinois State tax benefits in the event an Account Owner rolls over an Account to an out-of-state qualified tuition program. The adjusted gross income of an Illinois taxpayer who rolls over an Account to an out-of-state qualified tuition program will be increased by the amount of money the Account Owner has previously deducted from his or her Illinois base income for contributions made to the Program. Before rolling over your Account to an out-of-state qualified tuition program, you should consult with your legal and tax advisors.

Are There Illinois State Income Tax Considerations on Transfers Out of the Program?

For taxable years beginning on or after January 1, 2007, Illinois law provides for the recapture of Illinois State tax benefits in the event an Account Owner rolls over an Account to an out-of-state qualified tuition program. The adjusted gross income of an Illinois taxpayer who rolls over an Account to an out-of-state qualified tuition program will be increased by the amount of money the Account Owner has previously deducted from his or her Illinois base income for contributions made to the Program. Before rolling over your Account to an out-of-state qualified tuition program, you should consult with your legal and tax advisors.

Are There Penalties on Withdrawals From the Program?

The Program does not charge a withdrawal fee. If an Account Owner withdraws funds as a Nonqualified Withdrawal, the earnings portion of the withdrawal will be includible in your federal gross income and subject to a 10% federal penalty tax. For distributions paid in connection with the Beneficiary's death or disability or receipt of a scholarship, the earnings portion of an Account may be subject to federal and state income taxes, but may not be subject to the 10% federal penalty tax. You should consult with your tax advisor in such circumstances.

OTHER INFORMATION

How Will Investment in the Program Affect My Beneficiary's Chances of Receiving Financial Aid?

The eligibility of the Beneficiary for financial aid may depend upon the circumstances of the Beneficiary's family at the time the Beneficiary enrolls in an Institution of Higher Education, as well as on the policies of the governmental agencies, school, or private organizations to which the Beneficiary and/or the Beneficiary's family applies for financial assistance. These policies vary at different institutions and can change over time. Therefore, no person or entity can say with certainty how the federal aid programs, or the school to which the Beneficiary applies, will treat your Account.

Are Contributions Part of an Account Owner's Bankruptcy Estate?

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 protects many Section 529 accounts in federal bankruptcy proceedings. Your Account will be protected if the Beneficiary is your child, stepchild, grandchild, or stepgrandchild (including a child, stepchild, grandchild, or stepgrandchild through adoption or foster care) subject to the following limits:

- Contributions made to all Section 529 accounts for the same designated beneficiary at least 720 days before a federal bankruptcy filing are completely protected;
- Contributions made to all Section 529 accounts for the same designated beneficiary more than 365 days, but less than 720 days before a federal bankruptcy filing are protected up to $5,475; and
- Contributions made to all Section 529 accounts for the same designated beneficiary less than 365 days before a federal bankruptcy filing are not protected against creditor claims in federal bankruptcy proceedings.

Your own state law may offer additional creditor protections. You should consult your legal advisor regarding the effect of any bankruptcy filing on your Account.

Does Illinois Law Protect Accounts From Creditors?

Under certain circumstances, money held in an Account in the Program is exempt from the claims of the creditors of an Account Owner, contributor, or Beneficiary.

Illinois law protects your Account from all claims of creditors of the Beneficiary, the Account Owner, or the contributor, subject to the following limits:

- Contributions made with an actual intent to hinder, delay, or defraud a creditor are not protected;
- Contributions made during the 365-day period prior to filing a bankruptcy petition are protected, for each beneficiary, only up to the amount of

the annual federal gift tax exclusion (currently $13,000); and

- Contributions made during the period beginning 730 days and ending 366 days prior to filing a bankruptcy petition are protected, for each beneficiary, only up to the amount of the annual federal gift tax exclusion (currently $13,000).

Thus, assuming that no contributions were made with an actual intent to hinder, delay, or defraud a creditor, all amounts contributed more than 730 days prior to filing the bankruptcy petition are protected, and amounts contributed within 730 days of filing the bankruptcy petition are currently protected up to either $13,000 or $26,000, depending upon the timing of the contributions.

None of the Pool, the Illinois State Treasurer, or the Program Manager make any representations or warranties regarding protection from creditors. You should consult your legal advisor regarding this law and your circumstances.

What Kind of Statements Will I Receive?
The Program Manager will maintain separate records for your Account and will provide quarterly statements to you and your advisor showing:

- Contributions made to the Account during the period and total year-to-date Contributions;
- Change in Account value for the period;
- Withdrawals from the Account made during the period;
- Account fee paid during the period;
- The total value of the Account at the end of the period;
- The rate of return for the Portfolio in which the Account is invested; and
- Information concerning the Maximum Account Balance.

To reduce the amount of duplicate mail that is sent to a household, the Program Manager, will for mailing purposes, combine Account statements that have the same Account Owner and mailing address. The Program Manager will send one copy of the Program Disclosure Statement and other Program communications to Accounts Owners at each respective household address.

Information on how to obtain a prospectus and other disclosures of all fees and expenses associated with mutual funds and other investments made by the Program will be provided on an annual basis.

Is the Program Audited?
Each year an independent public accountant selected by the Program Manager will audit the Program. The auditors will examine financial statements for the Program and provide other audit, tax, and related services. The Treasurer and the Illinois Auditor General may also conduct audits of the Program and the Pool. The Program Manager has engaged Hayes & Associates, L.L.C., Omaha, Nebraska, to perform the annual audit of the Program's financial statements.

Where Can I Obtain Additional Information?
To answer your questions or request an Enrollment Form, please call your broker or other financial advisor, the Program Manager, or the Distributor. You can contact the Program Manager by calling 866-722-7283 or by writing to: Bright Directions® College Savings Program, P.O. Box 82623, Lincoln, NE 68501-9823.

To comply with Rule 15c2-12(b)(5) of the Securities Exchange Act of 1934, as amended, the Treasurer, on behalf of the Program, has entered into a continuing disclosure agreement for the benefit of Account Owners. Under the continuing disclosure agreement, the Treasurer, on the Program's behalf and as permitted by law, will provide certain annual financial information relating to the Program and notices of the occurrence of certain material events enumerated in the continuing disclosure agreement.

Although updated Program descriptions and disclosures have been provided to the Account Owners on a timely basis, financial information and operating data for fiscal year 2008 was filed with the Nationally Recognized Municipal Securities Information Repositories subsequent to the date required by the Undertaking with no material consequences to the Program and without constituting a default under the Participation Agreement.

CERTAIN RISKS TO CONSIDER

Opening an Account involves certain risks. Among other things discussed in this Program Disclosure Statement, you should carefully consider the following risks before completing an Enrollment Form. You also should read this Program Disclosure Statement, including the Exhibits, carefully before making a decision to open an Account.

Investment Risks

The Value of Your Account May Decline
As with many investment programs, there can be no assurance that the value of your Account will grow at any particular rate or that it will not decline. The value of the securities in which the Portfolios invest will change due to a number of factors, most of which will not be in the control of the Treasurer, the Distributor, or the Program Manager. If the value of these securities declines, you may lose some or all of the principal balance in your Account. Neither the Program, the Treasurer, the State of Illinois, or its officials/employees, the Distributor or any of its affiliates, nor the Program Manager or any of its affiliates guarantees any minimum rate of return on your Account or that you will not lose some or all of the principal amount invested.

Your Account Is Not Insured or Guaranteed
Balances in your Account are not guaranteed or insured by the State of Illinois or any instrumentality of the State of Illinois, the Program Manager or any of its affiliates, the Distributor or any of its affiliates, the FDIC, or any other party.

Each Portfolio Has Risks

Each of the Portfolios are subject to certain risks that may affect Portfolio performance. Set forth below is a list of the major risks applicable to the Portfolios. See "Exhibit C — Investment Portfolios and Underlying Fund Information" and the respective prospectuses of the underlying mutual funds for a description of the risks associated with the underlying mutual funds in which the Portfolios invest.

- **Market risk.** Securities prices change every business day, based on investor reactions to economic, political, market, industry, and corporate developments. At times, these price changes may be rapid and dramatic. Some factors may affect the market as a whole, while others affect particular industries, firms, or sizes or types of securities.
- **Interest rate risk.** A rise in interest rates typically causes bond prices to fall. Bonds with longer maturities and lower credit quality tend to be more sensitive to changes in interest rates, as are mortgage-backed bonds. Short- and long-term interest rates do not necessarily move the same amount or in the same direction.

  Money market investments are also affected by interest rates, particularly short-term rates, but in the opposite way: when short-term interest rates fall, money market yields usually fall as well. Bonds that can be paid off before maturity, such as mortgage-backed securities, tend to be more volatile than other types of debt securities.
- **Foreign investment risk.** Foreign stocks and bonds tend to be more volatile, and may be less liquid, than their U.S. counterparts. The reasons for such volatility can include greater political and social instability, lower market liquidity, higher costs, less stringent investor protections, and inferior information on issuer finances. In addition, the dollar value of most foreign currencies changes daily. All of these risks tend to be higher in emerging markets than in developed markets.
- **Asset Backed Securities risk.** A Portfolio's performance could suffer to the extent the underlying funds in which it invests are exposed to asset-backed securities. Asset-backed securities are subject to early amortization due to amortization or payout events that cause the security to payoff prematurely. Under those circumstances, an underlying fund may not be able to reinvest the proceeds of the payoff at a yield that is as high as that which the asset-backed security paid. In addition, asset-backed securities are subject to fluctuations in interest rates that may affect their yield or the prepayment rates on the underlying 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 investment fund incorrectly forecasts interest rates in using derivatives, the underlying investment 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 investment 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 investment fund is incorrect in its expectation of fluctuations in securities prices, interest rates or currency prices.
- **Concentration risk.** To the extent that a Portfolio is exposed to securities of a single country, region, industry, structure, or size, its performance may be unduly affected by factors common to the type of securities involved.
- **Issuer risk.** Changes in an issuer's business prospects or financial condition, including those resulting from concerns over accounting or corporate governance practices, could significantly affect a Portfolio's performance if the Portfolio has sufficient exposure to those securities.
- **Credit risk.** The value or yield of a bond or money market security could fall if its credit backing deteriorates. In more extreme cases, default or the threat of default could cause a security to lose most or all of its value. Credit risks are higher in high-yield bonds.
- **Management risk.** A Portfolio's performance could suffer if the investment fund or funds in which it invests underperforms.

Individual Fund Portfolios and Certain Female- and Minority-Owned Portfolios Not as Diversified as Age-Based and Target Portfolios

The Individual Fund Portfolios and certain Female- and Minority-Owned Portfolios are designed to invest in a single mutual fund. Individual Fund Portfolios and certain Female- and Minority-Owned Portfolios, by design, are not as diverse as the Age-Based and Target Portfolios which are invested in a number of different mutual funds. Since each Individual Fund Portfolio and certain Female- and Minority-Owned Portfolios are only invested in one mutual fund, the performance of the Individual Fund Portfolio and certain Female- and Minority-Owned Portfolios is solely dependent on the performance of the underlying mutual fund. Consequently, the performance of each of the Individual Fund

Portfolios and certain Female- and Minority-Owned Portfolios may be more volatile than the Age-Based and Target Portfolios.

Program Risks

Laws Governing 529 Qualified Tuition Programs May Change

There is a risk that federal and state laws and regulations governing 529 Programs could change in the future.

The proposed Federal Treasury regulations that have been issued under Section 529 of the Code provide guidance and requirements for the establishment and operation of the Pool but do not provide guidance on all aspects of the Pool. Final regulations or other administrative guidance or court decisions might be issued that could adversely impact the federal tax consequences or requirements with respect to the Pool or Contributions to or withdrawals from your Account. In addition, Section 529 or other federal law could be amended in a manner that materially changes the federal tax treatment of Contributions to and withdrawals from your Account.

You should understand that changes in the law governing the federal and/or state tax consequences described in this Program Disclosure Statement might necessitate material changes to the Pool for the anticipated tax consequences to apply.

Furthermore, the Pool has been established pursuant to Illinois law, the guidelines and procedures adopted by the Illinois State Treasurer, and applicable securities laws. Changes to any of those laws or regulations may also affect the operation and tax treatment of the Pool, as described in this Program Disclosure Statement.

Limitation on Investment Selection

The Account Owner may only change the investment election for an Account once per calendar year (twice per calendar year in 2009), or upon a change in Beneficiary. If an Account Owner has multiple accounts in the Program for the same Beneficiary, or multiple accounts in the Program and the Bright Start College Savings Program, the Account Owner may change the Portfolios in all such Accounts without tax consequences, so long as the changes to all of the Accounts are made at the same time and no more frequently than once per calendar year (twice per calendar year in 2009) or upon a change of Beneficiary.

Potential Changes in Program Manager

The initial term of the Services Agreement ends in November 2012. The Services Agreement is subject to an automatic three-year extension if the Program Manager meets certain performance standards, or the Treasurer may elect to extend the term of the Services Agreement for a period of three years. The Treasurer and the Program Manager have the right to terminate the Services Agreement earlier under certain circumstances, including the material breach of the Services Agreement.

If the term of the Services Agreement expires and is not extended, or the Services Agreement is terminated under other circumstances, the Program Manager may continue to provide services under the Services Agreement with respect to Accounts in existence as of the last day of the term. Upon the expiration or termination of the Services Agreement, Accounts may be transferred to a successor program manager. In either case, the fee or compensation structure may be higher than the fee originally paid under the Services Agreement and, in the case of a successor program manager, that manager may recommend different investments for the portfolios or achieve performance results that are different than those achieved by the Program Manager.

Illiquidity of Account

Funds in your Account will be subject to the terms and conditions of the Program and the Participation Agreement. These provisions may limit your ability to withdraw funds or to transfer these funds. Under no circumstances may any interest in an Account or the Program be used as security for a loan.

Acceptance to an Institution of Higher Education Is Not Guaranteed

There is no guarantee that a Beneficiary will be admitted to, or permitted to continue to attend, any college or other Institution of Higher Education. If the Beneficiary does not attend an Institution of Higher Education, withdrawals from your Account may be subject to taxes and penalties.

Educational Expenses May Exceed the Balance in Your Account

Even if you make the maximum amount of Contributions to your Account, the balance may not be sufficient to cover the Beneficiary's Higher Education Costs.

Program Contributions Do Not Create Illinois Residency

Contributions to the Program do not create Illinois residency status for you or a Beneficiary for purposes of determining the rate of tuition charged by an Illinois educational institution.

Impact on the Beneficiary's Ability to Receive Financial Aid

The eligibility of the Beneficiary for financial aid may depend upon the circumstances of the Beneficiary's family at the time the Beneficiary enrolls in an Institution of Higher Education, as well as on the policies of the governmental agencies, school, or private organizations to which the Beneficiary and/or the Beneficiary's family applies for financial assistance. Because saving for college will increase the financial resources available to the Beneficiary and the Beneficiary's family, it most likely will have some effect on the Beneficiary's eligibility. These policies vary at different institutions and can change over time. Therefore, no person or entity can say with certainty how the federal aid programs, or the school to which the Beneficiary applies, will treat your Account.

Medicaid and Other Federal and State Benefits

The effect of an Account on eligibility for Medicaid or other state and federal benefits is uncertain. It is possible that an Account will be viewed as a "countable resource" in determining an individual's financial eligibility for Medicaid. Withdrawals from an Account during certain periods also may have the effect of delaying the disbursement of Medicaid payments. You should consult a qualified advisor to determine how an Account may affect eligibility for Medicaid or other state and federal benefits.

EXHIBIT A
ACCOUNT PARTICIPATION AGREEMENT
For The Bright Directions® College Savings Program

Pursuant to the terms and conditions of this Participation Agreement, the Account Owner, by completing and signing an Enrollment Form, hereby requests the Bright Directions® College Savings Program Trust to open (or in the case of a successor Account Owner, to maintain) an Account for the individual designated on the Enrollment Form as the Beneficiary (hereinafter, "Beneficiary").

SECTION 12 OF THIS AGREEMENT IS AN ARBITRATION PROVISION. YOU SHOULD READ THE ARBITRATION PROVISION CAREFULLY. IT MAY HAVE A SUBSTANTIAL IMPACT ON YOUR RIGHTS.

GENERAL TERMS AND CONDITIONS

Capitalized terms not defined in this Participation Agreement shall have the meanings assigned to them in the Program Disclosure Statement or Illinois Administrative Code, which is available upon request as described in the Program Disclosure Statement.

The Participant ("you"), the Bright Directions® College Savings Program Trust (the "Trust") which holds the assets for the Bright Directions® College Savings Program, the Illinois State Treasurer ("Treasurer") and Union Bank & Trust Company as the Program Manager ("Program Manager") agree as follows:

Section 1. Accounts and Beneficiaries.

(a) ***Opening Account.*** The purpose of this Participation Agreement is to establish an Account for the Higher Education Costs of the Beneficiary named in the Enrollment Form.

(b) ***Separate Accounts.*** The Trust will maintain a separate Account for each Beneficiary. Each Account will be governed by a Participation Agreement and the Program's Declaration of Trust which may be obtained from the Program Manager. All assets held in your Account will be held for the exclusive benefit of you and the Account Beneficiary as provided by applicable law.

(c) ***Naming and Changing Beneficiaries.*** You will name the Beneficiary for an Account in the Enrollment Form. You can change the Beneficiary at any time, subject to federal and state law. In order to avoid certain adverse tax consequences, a new Beneficiary must be a "Member of the Family" of the replaced Beneficiary, as that term is defined under Section 529(e)(2) of the Internal Revenue Code of 1986, as amended, or any other corresponding provision of future law (the "Code"). The designation of the new Beneficiary will be effective upon receipt of the appropriate form, properly completed.

(d) ***Choice of Portfolio.*** Money invested in an Account will be invested in the Portfolio or Portfolios designated in the Enrollment Form. The Account Owner may change the Portfolio or Portfolios in which money is invested once every calendar year (twice in calendar year 2009), or upon a change of the Account Beneficiary.

If an Account Owner has multiple accounts in the Program for the same Beneficiary, or multiple accounts in the Program and the Bright Start College Savings Program, the Account Owner may change the Portfolios in all such accounts without tax consequences, so long as the changes to all of the accounts are made at the same time.

Section 2. Contributions.

(a) ***Contributions To Be in Cash.*** All Contributions must be in cash. Cash means only (i) checks, (ii) payroll deductions made by your employer, (iii) electronic funds transfers from your bank, (iv) an automatic investment plan, (v) wire transfers (vi) Bright Directions 529 College Savings Visa® Card "Rewards", or (vii) a rollover from another 529 qualified tuition program.

(b) ***Minimum Contributions.*** There is no minimum contribution amount. A Contribution need not be made every year.

(c) ***Additional Contributions.*** You may make additional Contributions at any time, subject to the overall limit described in the next paragraph.

(d) ***Maximum Contribution Limit.*** The Treasurer will set a Maximum Account Balance for each Beneficiary. You may not make additional Contributions to any Account for a Beneficiary once the aggregate balance of all Accounts for the Beneficiary, and all accounts in other Illinois Section 529 programs for the Beneficiary, including the Bright Start College Savings Program and College Illinois!, equals $320,000. The Pool will inform you of the Maximum Account Balance for each year.

Section 3. Distribution From Accounts. You may direct the Program Manager to distribute part or all of the money in an Account at any time.

(a) You must complete a withdrawal request form or follow such other procedures for the withdrawal of money in an Account as the Treasurer may designate. The Treasurer may change the withdrawal request form or modify the procedures for withdrawing money from an Account from time to time.

(b) You acknowledge the earnings portion of a Nonqualified Withdrawal, as defined in the Program Disclosure Statement, will be included in your income for federal tax purposes and may be subject to a 10% federal penalty tax.

(c) Notwithstanding any other provision of this Agreement, the Treasurer may terminate an Account upon a determination that you or the Account's Beneficiary has provided false or misleading information to the Trust, the Program Manager, or an Institution of Higher Education. The Treasurer will pay you the balance remaining in the Account, less any state or federal taxes to be withheld, if applicable.

(d) If you cancel your Participation Agreement for a Program Account, you will receive the fair market value of the Account on the date the Account is distributed.

Section 4. Your Representations and Acknowledgments. You hereby represent and warrant to, and agree with the Trust, the Treasurer, and the Program Manager as follows:

(a) You acknowledge that you are aware that the creation of an Account under the Trust subjects your contributions to sales charges and ongoing fees.

(b) You have received and read the Program Disclosure Statement for the Bright Directions® College Savings Program and have carefully reviewed all the information contained therein, including information provided by or with respect to the Trust and the Program Manager. You have been given an opportunity, within a reasonable time prior to the date of this Agreement, to ask questions and receive answers concerning (i) an investment in the Trust, (ii) the terms and conditions of the Trust and (iii) this Agreement and to obtain such additional information necessary to verify the accuracy of any information furnished. You have had the opportunity to ask questions of a representative of the Bright Directions® College Savings Program and your tax, legal, or investment professional and have received satisfactory answers to any questions asked. You also agree that you have had the opportunity to review and hereby approve and consent to all compensation paid or received by any party connected with the Trust or any of its investments.

(c) You acknowledge and agree that the value of any Account will increase or decrease based on the investment performance of the investment Portfolio or Portfolios of the Trust in which the Account is then invested. **YOU UNDERSTAND THAT THE VALUE OF ANY ACCOUNT MAY BE MORE OR LESS THAN THE AMOUNT INVESTED IN THE ACCOUNT.** You agree that all investment decisions will be made by the Illinois Treasurer, and that you will not direct the investment of any funds invested in the Trust, either directly or indirectly. You also acknowledge and agree that neither the State of Illinois, the Trust, the Treasurer, the Program Manager, the Distributor, nor any other advisor or consultant retained by or on behalf of the Trust makes any guarantee that you will not suffer a loss of the amount invested in any Account.

(d) You understand that so long as Union Bank & Trust Company serves as Program Manager for the Bright Directions® College Savings Program and is performing services for the Trust, it may follow the directives of the Treasurer. When acting in such capacity, Union Bank & Trust Company will have no liability to you or any other Beneficiary of this Agreement.

(e) You acknowledge and agree that participation in the Bright Directions® College Savings Program does not guarantee that any Beneficiary: (i) will be accepted as a student by an Institution of Higher Education; (ii) if accepted, will be permitted to continue as a student; (iii) will be treated as a state resident of any state for tuition purposes; (iv) will graduate from any Institution of Higher Education; or (v) will achieve any particular treatment under applicable state or federal financial aid program. You also acknowledge and agree that neither the State of Illinois, the Trust, the Treasurer, the Program Manager, the Distributor, nor any other advisor or consultant retained by or on behalf of the Trust makes any such representation or guarantee.

(f) You acknowledge and agree that no Account will be used as collateral for any loan. Any attempted use of an Account as collateral for a loan will be void.

(g) You acknowledge and agree that the Trust will not loan any assets to you or the Beneficiary.

(h) You agree and acknowledge that the Illinois College Savings Pool (the "Pool") was established pursuant to Illinois Public Act 91-0607, that the Trust was established under Illinois Public Act 91-0607 and is administered by the Treasurer of the State of Illinois, pursuant to state law, and is intended to qualify for certain federal income tax consequences under Section 529 of the Internal Revenue Code. You further acknowledge that such federal and state laws are subject to change, sometimes with retroactive effect, and that neither the State of Illinois, the Trust, the Treasurer, the Program Manager, the Distributor, nor any advisor or consultant retained by the Trust makes any representation that such state or federal laws will not be changed or repealed.

(i) You acknowledge that the Trust is the record owner of the shares of the mutual funds in which each Portfolio is invested and that you will have no right to vote, or direct the voting of, any proxy with respect to such shares.

Section 5. Fees and Expenses. The Trust will make certain charges against each Account in order to provide for the costs of administration of the Accounts and such other purposes as the Treasurer shall determine appropriate.

(a) ***Account Fee.*** Each Account will be charged an initial one-time Setup Fee of $10 and a quarterly Account fee in the amount of $3. The quarterly Account fee is deducted from your Account on a calendar quarter basis beginning in the calendar quarter after you open your Account.

(b) ***Program Management Fee.*** Each Portfolio is subject to a program management fee at an annual rate of 0.45% of the average daily net assets, which is accrued daily and reflected in the NAV of each Portfolio.

(c) ***Investment Management Fees.*** You agree and acknowledge that each of the mutual funds or other investments also will have investment management fees and other expenses, which will be disclosed or made available on an annual basis.

(d) ***Change in Fees.*** You acknowledge and agree that the charges described above may be increased or decreased as the Treasurer shall determine to be appropriate.

(e) ***Sales Loads, Redemption Fees, and Administrative Fees.*** An Account is subject to the fees set forth in this paragraph. You may choose from among Fee Structure A, C, E, or F. Account Owners may elect one of the following fee structures by reflecting such election on the Enrollment Form:

(i) Fee Structure A: If you select Fee Structure A, you will pay, at the time each Contribution is made, a sales load in an amount equal to 3.50% of the Contribution, and ongoing fees at an annualized rate of 0.25% of the aggregate average fair market value of assets in your Account.

(ii) Fee Structure C: If you select Fee Structure C, you will not pay a sales load at the time each Contribution is made, but will pay ongoing fees at an annualized rate equal to 0.50% of the aggregate average fair market value of assets in your Account.

(iii) Fee Structure E: If you select Fee Structure E, you will not pay a sales load at the time each Contribution is made, but will pay ongoing fees at an annualized rate of 0.25% of the aggregate average fair market value of assets in your Account.

(iv) Fee Structure F: If you open your Account through a fee-only financial planner, you may select Fee Structure F. If you select Fee Structure F, you will not pay a sales load at the time each Contribution is made or an ongoing fee.

Fees set forth under Fee Structure A, C, E, or F, if any, are in addition to all other fees charged against the Account. You may choose to make Contributions under more than one fee structure by establishing separate Accounts. The annualized fees applicable to each Account under each of the fee structures are accrued daily and reflected in the NAV of each Portfolio.

Contributions made to the BGI Institutional Money Market 529 Portfolio, the PIMCO Short-Term 529 Portfolio, or the PIMCO Low Duration 529 Portfolio under Fee Structure A are not subject to an initial sales charge. In addition, effective May 1, 2009, no Annual Account Servicing Fee will be charged for the BGI Institutional Money Market 529 Portfolio. However, if you transfer funds contributed under Fee Structure A from the BGI Institutional Money Market 529 Portfolio, the PIMCO Short-Term 529 Portfolio, or the PIMCO Low Duration 529 Portfolio to another Portfolio in the Plan, you will be assessed the sales charges applicable to such new Portfolio under Fee Structure A.

Your financial advisor will not receive a 3.00% commission on any Contributions for which the initial sales charge has been waived. In addition, effective May 1, 2009, your financial advisor will not receive a percentage of the average daily net assets in your Account for any balances in the BGI Institutional Money Market 529 Portfolio, and your financial advisor will not receive any commission on Contributions under Fee Structure C to the BGI Institutional Money Market 529 Portfolio.

Section 6. Necessity of Qualification. The Pool intends to qualify for favorable federal tax treatment under Section 529 of the Code. You agree and acknowledge that qualification under Section 529 of the Code is vital and agree that the Treasurer may amend this Participation Agreement upon a determination that such an amendment is required to maintain such qualification.

Section 7. Audit. The Program Manager shall cause the Trust and its assets to be audited at least annually by a certified public accountant. A copy of the annual report can be obtained by calling the Treasurer at 866-458-7327, or the Program Manager at 866-722-7283.

Section 8. Reporting. The Program, through the Program Manager, will make quarterly reports of Account activity and the value of each Account. Account information can also be obtained via the Program's website at www.brightdirections.com.

Section 9. Account Owner's Indemnity. You recognize that each Account will be established based upon your statements, agreements, representations, and warranties set forth in this Participation Agreement and the Enrollment Form. You agree to indemnify and to hold harmless the Trust, the Treasurer, the Program Manager and its affiliates, the Distributor and its affiliates, and any representatives of the Trust from and against any and all loss, damage, liability, or expense, including costs of reasonable attorneys' fees to which they may be put or which they may incur by reason of, or in connection with, any breach by you of your acknowledgments, representations, or warranties or any failure of you to fulfill any covenants or agreements set forth herein. You agree that all statements, representations, and warranties will survive the termination of your Account.

Section 10. Amendment and Termination. Nothing contained in the Trust or this Participation Agreement shall constitute an agreement or representation by the Treasurer or anyone else that the Trust will continue in existence. At any time, the Treasurer may amend the Declaration of Trust, if any, and this Participation Agreement or suspend or terminate the Trust by giving written notice of such action to the Account Owner, so long as, after the action, the assets in your Accounts are still held for the exclusive benefit of you and your Beneficiary.

Section 11. Governing Law. This Agreement shall be governed and interpreted in accordance with the laws of the State of Illinois. All parties agree that exclusive venue and jurisdiction for any legal proceedings related to this Participation Agreement or the Bright Directions® College Savings Program shall be in the State of Illinois.

Section 12. Arbitration. **YOU SHOULD READ THIS ARBITRATION PROVISION CAREFULLY. IT MAY HAVE A SUBSTANTIAL IMPACT ON YOUR RIGHTS.**

(a) Agreement to Arbitrate: Unless prohibited by applicable law, any legal dispute between you and us will be resolved by binding arbitration. In arbitration, a dispute is resolved by an arbitrator instead of a judge or jury. Arbitration procedures are simpler and more limited than court procedures.

(b) Coverage and Definitions: As used in this Arbitration Provision, the following terms have the following meanings:

(i) "You," "your" and "yours" refer to the Account Owner and any successor Account Owner, acting on the Account Owner's own behalf or on behalf of the Beneficiary and any successor Beneficiary.

(ii) "We," "us," "our" and "ours" refer to: (A) the Program Manager, the State of Illinois and the Treasurer; (B) any company that owns or controls the Program Manager (a "Parent Company"); and (C) any company that is controlled by a Parent Company or the Program Manager. Also, if either you or we elect to arbitrate any Claim you bring against us, the persons who may benefit by this Arbitration Provision include any other persons or companies you make a Claim against in the same proceeding.

(iii) "Claim" means any legal dispute between you and us that relates to, arises out of or has anything at all to do with: (A) this Participation Agreement, this Arbitration Provision, the Program, the Pool or the Trust; or (B) any related advertising, promotion, disclosure or notice. This includes a dispute about whether this Arbitration Provision or this Participation Agreement is valid or enforceable, about when this Arbitration Provision applies and/or about whether a dispute is arbitrable. It includes disputes about constitutional provisions, statutes, ordinances, and regulations, compliance with contracts and wrongful acts of every type (whether intentional, fraudulent, reckless or negligent). This Arbitration Provision applies to actions, omissions and events prior to, on or after the date of this Participation Agreement. It applies to disputes involving requests for injunctions, other equitable relief and/ or declaratory relief. However, notwithstanding any language in this Arbitration Provision to the contrary, the term "Claim" does not include any dispute that is asserted by a party on a class basis; unless and until any such dispute is finally resolved to be inappropriate for class treatment in court, such dispute shall not constitute a "Claim" hereunder, and any such dispute shall be resolved by a court and not by an arbitrator or arbitration administrator.

(iv) "Administrator" means the National Arbitration Forum ("NAF"), P.O. Box 50191, Minneapolis, MN 55405, www.arb-forum.com; the American Arbitration Association (the "AAA"), 1633 Broadway, 10th Floor, New York, NY 10019, www.adr.org; or any other company selected by mutual agreement of the parties. If both NAF and AAA cannot or will not serve and the parties are unable to select an Administrator by mutual consent, the Administrator will be selected by a court. You may select the Administrator if you give us written notice of your selection with your notice that you are electing to arbitrate any Claim or within 20 days after we give you notice that we are electing to arbitrate any Claim (or, if you oppose in court our right to arbitrate a matter, within 20 days after the court determination). If you do not select the Administrator on time, we will select the Administrator.

(c) Important Notice: IF YOU OR WE ELECT TO ARBITRATE A CLAIM, YOU AND WE WILL NOT HAVE THE RIGHT TO PURSUE THAT CLAIM IN COURT OR HAVE A JURY DECIDE THE CLAIM. ALSO, YOUR AND OUR ABILITY TO OBTAIN INFORMATION AND TO APPEAL IS MORE LIMITED IN AN ARBITRATION THAN IN A LAWSUIT. OTHER RIGHTS THAT YOU AND WE WOULD HAVE IN A LAWSUIT IN COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

(d) Prohibition Against Certain Proceedings: (i) NO PARTY MAY PARTICIPATE IN A CLASS-WIDE ARBITRATION, EITHER AS A PLAINTIFF, DEFENDANT OR CLASS MEMBER; (ii) NO PARTY MAY ACT AS A PRIVATE ATTORNEY GENERAL IN ANY ARBITRATION; (iii) CLAIMS BROUGHT BY OR AGAINST YOU MAY NOT BE JOINED OR CONSOLIDATED WITH CLAIMS BROUGHT BY OR AGAINST ANY OTHER PERSON IN ANY ARBITRATION; AND (iv) THE ARBITRATOR SHALL HAVE NO AUTHORITY TO CONDUCT A CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ARBITRATION OR MULTIPLE-PARTY ARBITRATION.

(e) Initiating Arbitration Proceedings: A party asserting a Claim must first comply with Section 12(k), regarding "Notice and Cure." Additionally, a party electing arbitration must give written notice of an intention to initiate or require arbitration. This notice can be given after the beginning of a lawsuit and can be given in the papers filed in the lawsuit. If such notice is given, unless prohibited by applicable law any Claim shall be resolved by arbitration under this Arbitration Provision and, to the extent consistent with this Arbitration Provision, the applicable rules of the Administrator that are in effect at the time the Claim is filed with the Administrator. A party who has asserted a Claim in a lawsuit may still elect arbitration with respect to any Claim that is later asserted in the same lawsuit by any other party (and in such case either party may also elect to arbitrate the original Claim). The arbitrator will be selected in accordance with the Administrator's rules. However, unless both you and we agree otherwise, the arbitrator must be a lawyer with more than 10 years of experience or a retired judge. We promise that we will not elect to arbitrate an individual Claim that you bring in small claims court or an equivalent court. However, we may elect to arbitrate a Claim that is transferred, removed or appealed to any different court.

(f) Arbitration Location and Costs: Any arbitration hearing that you attend will take place in a reasonably convenient location for you. If the amount in controversy is less than $10,000 and you object to the fees charged by the Administrator and/or arbitrator, we will consider in good faith any reasonable written request for us to bear the fees charged by the Administrator and/or arbitrator. Also, we will pay any fees or expenses we are required to pay by law or are required to pay so that a court will enforce this Arbitration Provision. Each party must pay for that party's own attorneys, experts and witnesses, provided that we will pay all such reasonable fees and costs you incur if required by applicable law and/or the Administrator's rules or if you are the prevailing party and we are required to bear such fees and costs so that a court will enforce this Arbitration Provision.

(g) Applicable Law: You and we agree that this Participation Agreement and this Arbitration Provision involve interstate commerce, and this Arbitration Provision is governed by the Federal Arbitration Act ("FAA"), 9 U.S.C. § 1, et seq. The arbitrator must follow, to the extent applicable: (i) the substantive law related to any Claim; (ii) statutes of limitations; and (iii) claims of privilege recognized at law, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. Upon the timely request of any party to an arbitration proceeding, the arbitrator must provide a brief written explanation of the basis for the award. The arbitrator will determine the rules of procedure and evidence to apply, consistent with the arbitration rules of the Administrator and this Arbitration Provision. In the event a conflict between this Arbitration Provision, on the one hand, and any other Arbitration Provision between you and us or the rules or policies of the Administrator, on the other hand, this Arbitration Provision shall govern. The arbitrator will not be bound by federal, state or local rules of procedure and evidence or by state or local laws concerning arbitration proceedings.

(h) Getting Information: In addition to the parties' rights to obtain information under the Administrator's rules, any party may submit a written request to the arbitrator seeking more information. A copy of such request must be provided to the other parties. Those parties will then have the right to object in writing within 30 days. The objection must be sent to the arbitrator and the other parties. The arbitrator will decide the issue in his or her sole discretion within 20 days thereafter.

(i) Effect of Arbitration Award: Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's decision will be final and binding, except for any appeal right under the FAA and except for Claims involving more than $100,000. For these Claims, any party may appeal the award within 30 days to a three-arbitrator panel appointed pursuant to the Administrator's rules. That panel will reconsider from the start any aspect of the initial award that any party asserts was incorrectly decided. The decision of the panel shall be by majority vote and will be final and binding, except for any appeal right under the FAA. Unless applicable law (or Section 12(j), regarding "Corrective Action; Survivability and Severability of Terms") requires otherwise, the costs of an appeal to an arbitration panel will be borne by the appealing party, regardless of the outcome of the appeal. However, we will pay any fees or expenses we are required to pay so that a court will enforce this Arbitration Provision.

(j) Corrective Action; Survivability and Severability of Terms: A party must be given written notice and a reasonable opportunity of at least 30 days to remedy any circumstance that might preclude arbitration of a Claim. This Arbitration Provision shall survive: (i) termination of the Trust; and (ii) the bankruptcy of any party. If any portion of this Arbitration Provision is deemed invalid or unenforceable, the remaining portions shall nevertheless remain in force. This Arbitration Provision can only be amended or supplemented by written Arbitration Provision.

(k) Notice and Cure: Prior to initiating litigation or arbitration regarding a Claim, the party asserting the Claim (the "Claimant") shall give the other party or parties written notice of the Claim (a "Claim Notice") and a reasonable opportunity, not less than 30 days, to cure the Claim. Any Claim Notice must explain the nature of the Claim and the relief that is demanded. The Claimant must reasonably cooperate in providing any information about the Claim that the other party or parties reasonably request.

(l) Arbitration Notices. Any notice to us under this Arbitration Provision must be sent to us by registered or certified mail or by a messenger service such as Federal Express, Bright Directions College Savings Program, 6811 South 27th Street, Lincoln, Nebraska 68512. Any such notice must be signed by you and must provide your name, address and telephone number. Any notice to you under this Arbitration Provision must be sent to you by registered or certified mail or by a messenger service such as Federal Express, at the most recent address for you we have in our records.

EXHIBIT B TAX INFORMATION

The following discussion summarizes certain aspects of federal and state income, gift, estate, and generation-skipping transfer tax consequences relating to the Illinois College Savings Pool and Contributions to, earnings of, and withdrawals from the Accounts. The summary is not exhaustive and is not intended as individual tax advice. In addition, there can be no assurance that the Internal Revenue Service ("IRS") or Illinois Department of Revenue will accept the statements made herein or, if challenged, that such statements would be sustained in court. The applicable tax rules are complex, and certain of the rules are at present uncertain, and their application to any particular person may vary according to facts and circumstances specific to that person. The Internal Revenue Code and regulations thereunder, and judicial and administrative interpretations thereof, are subject to change, retroactively or prospectively, and no one under the Pool will be entitled to receive or be obligated to give notice of any such changes or modifications. A qualified tax advisor should be consulted regarding the application of law in individual circumstances.

This summary is based on the relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Illinois State tax law, and proposed Treasury regulations. It is possible that Congress, the Treasury Department, the IRS, the State of Illinois, and other taxing authorities or the courts may take actions that will adversely affect the tax law consequences described and that such adverse effects may be retroactive. No final tax regulations or rulings concerning the Illinois College Savings Pool have been issued by the IRS and, when issued, such regulations or rulings may alter the tax consequences summarized herein or necessitate changes in the Pool to achieve the tax benefits described. The summary does not address the potential effects on Account Owners or Beneficiaries of the tax laws of any state other than Illinois.

Certain Illinois State Tax Consequences

Legislation governing the tax treatment of the Accounts was passed by the Illinois General Assembly in 2000, and became effective as of January 1, 2001. Illinois law provides that the assets of the Program and its income are exempt from all taxation by the State of Illinois and any of its subdivisions and that the accrued earnings on investments in the Program disbursed on behalf of a Beneficiary are exempt from all taxation by the State of Illinois and its subdivisions, so long as they are used for qualified higher education expenses. However, for distributions not used for qualified higher education expenses, the earnings portion would be subject to Illinois tax for Illinois taxpayers to the extent included in the taxpayer's federal adjusted gross income.

For tax years beginning on or after January 1, 2005, individuals who file individual Illinois state income tax returns will be able to deduct up to $10,000 per tax year for their total, combined contributions to the Program, to the Bright Start College Savings Program, and to College Illinois! during that tax year. The Illinois Department of Revenue has stated, in informal advice that is not binding on the Department of Revenue, that

- A deduction of up to $20,000 will be permitted for married taxpayers filing joint Illinois state income tax returns for their total, combined contributions to the Program, to the Bright Start College Savings Program, and to College Illinois! during that tax year; and
- The $10,000 (individual) and $20,000 (joint) limitations on deductions will apply to the total contributions made to the Program, to the Bright Start College Savings Program, and College Illinois! without regard to whether the contributions are made to a single account or more than one account.

A contribution must be post-marked no later than December 31st of a tax year in order to be eligible to be deducted with respect to such tax year. The Illinois Department of Revenue has stated (in a non-binding general information letter) that the state income tax deduction is available to individuals other than the Account Owner who contribute to an Account. The deduction for Illinois individual income tax purposes for contributions to the Program does not apply to transfers between accounts of different designated beneficiaries. The Illinois Department of Revenue has stated (in informal guidance that is not binding on the Department) that in the case of a rollover from another state's qualified tuition program, the amount of the rollover that is treated as a return of the original contribution to the old plan (but not the earnings portion of the rollover) is eligible for the deduction for Illinois individual income tax purposes.

For taxable years beginning on or after January 1, 2007, Illinois law provides for the recapture of Illinois state tax benefits in the event an Account Owner rolls over an Account to an out-of-state qualified tuition program. The adjusted gross income of an Illinois taxpayer who rolls over an Account to an out-of-state qualified tuition program will be increased by the amount of money the Account Owner has previously deducted from his or her Illinois base income for contributions made to the Program. Before rolling over your Account to an out-of-state qualified tuition program, you should consult with your legal and tax advisors.

For taxable years beginning on or after January 1, 2007, the earnings portion of distributions from non-Illinois qualified tuition programs are no longer subject to Illinois income tax so long as the non-Illinois qualified tuition program adopts and determines that its offering materials comply with the College Savings Plan Network's disclosure principles and has made reasonable efforts to inform Illinois residents and financial intermediaries distributing the non-Illinois program of the existence of Illinois qualified tuition programs.

Federal Income Tax Treatment of the Pool, Contributions, and Withdrawals

The Illinois College Savings Pool is designed to be a "qualified tuition program" under Section 529 of the Code. As such, undistributed investment earnings in the Pool are exempt from federal income tax. Earnings of the Pool credited to an Account will not be includible in the federal gross income of the Account Owner or Beneficiary until funds are withdrawn, in whole or in part, from the Account. The treatment of a withdrawal from an Account will vary depending on the nature of the withdrawal. Contributions are not deductible for federal income tax purposes.

If there are earnings in an Account, each distribution from the Account consists of two parts. One part is a return of the contributions to the Account (the "Contributions Portion"). The other part is a distribution of earnings in the Account (the "Earnings Portion"). A pro rata calculation is made as of the date of the distribution of the Earnings Portion and the Contributions Portion of the distribution.

Qualified Withdrawals

If a Qualified Withdrawal is made from an Account, no portion of the distribution is includible in the gross income of either the Beneficiary or the Account Owner.

Qualified Rollover Distributions

No portion of a Qualified Rollover Distribution is includible in the gross income of either the Beneficiary or the Account Owner.

Nonqualified Withdrawals

To the extent that a withdrawal from an Account is a Nonqualified Withdrawal, the Earnings Portion of such Nonqualified Withdrawal is includible in the federal gross income of the recipient of the withdrawal for the year in which the withdrawal is made. The Contributions Portion is not includible in gross income.

Generally, the recipient of a Nonqualified Withdrawal will also be subject to a "penalty tax" equal to 10% of the Earnings Portion of the withdrawal.

There are, however, exceptions to the penalty tax for Nonqualified Withdrawals made on account of the following:

- The death of the Beneficiary of the Account;
- If the Beneficiary of the Account becomes disabled within the meaning of Section 72(m)(7) of the Code, a withdrawal by the Account Owner will not be subject to the penalty tax;
- If the Beneficiary of the Account receives a scholarship, allowance, or payment described in Section 25A(g)(2) of the Internal Revenue Code, a withdrawal by the Account Owner will not be subject to the penalty tax to the extent that the amount of the withdrawal does not exceed the amount of the scholarship, allowance or payment;
- If a Hope Scholarship Credit and/or Lifetime Learning Credit is allowed to any person for payment of the Beneficiary's Qualified Higher Education Costs, the Earnings Portion of the part of the Nonqualified Withdrawal equal to such expenses will not be subject to the penalty tax; and
- If a Beneficiary attends the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy, a Nonqualified Withdrawal from an Account will not be subject to the penalty tax to the extent that the Nonqualified Withdrawal does not exceed the costs of "advanced education," as that term is defined in 10 U.S.C. Section 2005(e)(3), attributable to such attendance.

Change of Beneficiaries

A change in the Beneficiary of an Account is not treated as a distribution if the new beneficiary is a Member of the Family of the former Beneficiary. However, if the new beneficiary is not a Member of the Family of the former Beneficiary, the change is treated as a Nonqualified Withdrawal by the Account Owner. A change of the Beneficiary of an Account or a transfer to an Account for another Beneficiary may have federal gift tax or generation-skipping transfer tax consequences.

Aggregation of Accounts

All Accounts for the benefit of a single Beneficiary and having the same Account Owner, including any accounts in other Illinois Section 529 plans, must be treated as a single account for purposes of calculating the Earnings Portion of each withdrawal. Thus, if more than one Account is created for a Beneficiary that has the same Account Owner and a Nonqualified Withdrawal is made from one or more accounts, the amount includible in taxable income must be calculated based on the Earnings Portion of all accounts. The amount withdrawn from an Account may carry with it a greater or lesser amount of income than the Earnings Portion of that Account alone, depending on the Earnings Portion of other accounts for that Beneficiary. In the case of a Nonqualified Withdrawal or other taxable distribution, this aggregation rule may result in an Account Owner being taxed upon more or less income than that directly attributable to the Earnings Portion of the Account from which the withdrawal was made.

Annual Tax Reporting

For any year there are withdrawals from your Account, the Program Manager will send out a Form 1099-Q. This form sets forth the total amount of the distribution and identifies the Earnings Portion and the Contribution Portion of each withdrawal. If the distribution is made to the Account Owner, the Form 1099-Q will be sent to them. If the distribution is to the Beneficiary or made directly to the Institution of Higher Education, the Form 1099-Q will be sent to the Beneficiary. You should consult with your tax professional for the proper tax reporting and treatment of distributions.

Coordination With Other Higher Education Cost Benefit Programs

The tax benefits afforded to qualified tuition programs such as the Program must be coordinated with other programs designed to provide tax benefits for meeting higher education expenses in order to avoid the duplication of such benefits. The coordinated programs include Coverdell Education Savings Accounts under Section 530 of the Code and Hope and Lifetime Learning Credits under Section 25A of the Code.

Coverdell Education Savings Accounts

An individual may contribute to, or withdraw money from, both a qualified tuition program account and a Coverdell Education Savings Account in the same year. However, to the extent the total withdrawals from both accounts exceed the amount of Higher Education Costs that qualify for tax-free treatment under Section 529 of the Code, the recipient must allocate his or her Higher Education Costs between both such withdrawals in order to determine how much may be treated as tax-free under each program.

Hope Scholarship and Lifetime Learning Tax Credits

The use of a Hope Scholarship tax credit or Lifetime Learning tax credit by a qualifying Account Owner and Beneficiary will not affect participation in or receipt of benefits from a qualified tuition program account, so long as any withdrawal from the account is not used for the same expenses for which the credit was claimed.

Federal Gift, Estate, and Generation Skipping Transfer Taxes

Contributions to an Account are considered completed gifts to the Beneficiary of the Account for federal estate, gift, and generation skipping transfer tax purposes. Except as described below, if an Account Owner dies while there is a balance in the Account, the value of the Account is not includible in the Account Owner's gross estate for federal estate tax purposes. However, amounts in an Account at the death of the Beneficiary are includible in the Beneficiary's gross estate.

A donor's gifts to a donee in any given year will not be taxable if the gifts are eligible for, and do not in total exceed, the gift tax "annual exclusion" for such year. For 2009, the annual exclusion is $13,000 per donee, or twice that amount (i.e $26,000) for a married donor whose spouse elects on a Federal Gift Tax Return to "split" gifts with the donor. The annual exclusion is indexed for inflation and is expected to increase in the future.

Under Section 529, a donor's contributions to an Account for a Beneficiary are eligible for the gift tax annual exclusion. Contributions that qualify for the gift tax annual exclusion are also excludible for purposes of the Federal generation-skipping transfer ("GST") tax. Accordingly, so long as the donor's total contributions to Accounts for the Beneficiary in any year (together with any other gifts made by the donor to the Beneficiary in such year) do not exceed the annual exclusion amount for such year, the donor's contributions will not be considered taxable gifts and will be excludible for purposes of the GST tax.

In addition, if a donor's total contributions to Accounts for a Beneficiary in a single year exceed the annual exclusion for such year, the donor may elect to treat contributions that total up to five times the annual exclusion (or up to ten times if the donor and his or her spouse split gifts) as having been made ratably over a five year period. Consequently, a single donor may contribute up to $65,000 in a single year without incurring federal gift tax, so long as the donor makes no other gifts to the same Beneficiary during the calendar year in which the Contribution is made or any of the next four calendar years.

An election to have the contribution taken into account ratably over a five-year period must be made by the donor on a Federal Gift Tax Return, IRS Form 709.

For example, an Account Owner who makes a $65,000 contribution to an Account for a Beneficiary in 2009 may elect to have that contribution treated as a $13,000 gift in 2009 and a $13,000 gift in each of the following four years. If the Account Owner makes no other contributions or gifts to the beneficiary before January 1, 2014, and has made no excess contributions treated as gifts subject to the one-fifth rule during any of the previous four years, the Account Owner will not be treated as making any taxable gifts to the Beneficiary during that five-year period. As a result, the $65,000 contribution will not be treated as a taxable gift and will be excludible for purposes of the GST tax. However, if the Account Owner dies before the end of the five year period, the portion of the contributions allocable to years after the year of death will be includible in the Account Owner's gross estate for federal estate tax purposes.

A change of the Beneficiary of an Account or a transfer to an Account for another Beneficiary may have federal gift tax consequences. Specifically, if the new Beneficiary is in a younger generation than the replaced Beneficiary, the change or transfer will be treated for federal gift tax purposes as a gift from the replaced Beneficiary to the new Beneficiary. If the new Beneficiary is not a descendant of the replaced Beneficiary, the new Beneficiary will be considered to be in a younger generation than the replaced Beneficiary if the new Beneficiary is more than 12 1/2 years younger than the replaced Beneficiary. Moreover, even if the new Beneficiary is in the same generation as (or in an older generation than) the replaced Beneficiary, the change or transfer may be treated as a gift from the replaced Beneficiary to the new Beneficiary if the new Beneficiary is not a Member of the Family of the replaced Beneficiary. Any change or transfer treated as a gift from the replaced Beneficiary to the new Beneficiary may cause the replaced Beneficiary to be liable for federal gift tax or cause other undesirable tax consequences.

A change of the Beneficiary of an Account or a transfer to an Account for another Beneficiary may also have GST tax consequences. A change or transfer will be considered a generation-skipping transfer if the new Beneficiary is two or more generations younger than the replaced Beneficiary. Any change or transfer treated as a generation-skipping transfer from the replaced Beneficiary to the new Beneficiary may cause the replaced Beneficiary to be liable for GST tax or cause other undesirable tax consequences.

A change of Account ownership may also have gift and/or GST tax consequences. Accordingly, Account Owners should consult their own tax advisors for guidance when considering a change of Beneficiary or Account ownership.

Lack of Certainty of Tax Consequences

At the date of this Program Disclosure Statement, proposed regulations have been issued under Section 529 of the Code upon which taxpayers may rely at least until final regulations are issued. The proposed regulations do not, however, provide guidance on various aspects of the Illinois College Savings Pool. It is uncertain when final regulations will be issued. There can be no assurance that the Federal tax consequences described herein for Account Owners and Beneficiaries will continue to be applicable. Section 529 of the Code or other Federal law could be amended in a manner that would materially change or eliminate the federal tax treatment described above. The Program Manager and Treasurer intend to modify the Program within the constraints of applicable law for the Program to meet the requirements of Section 529 of the Code. In the event that the Program, as currently structured or as subsequently modified, does not meet the requirements of Section 529 of the Code for any reason, the tax consequences to the Account Owner and Beneficiaries are uncertain, and it is possible that Account Owners could be subject to taxes currently on undistributed earnings in their respective Accounts as well as to other adverse tax consequences. A potential Account Owner may wish to consider consulting a tax advisor.

For other changes to the tax consequences of participation in the Program, see "Certain Risks to Consider" above.

Exhibit C – Investment Portfolios and Mutual Fund Information

The following tables show the target investment allocations for the Age-Based and Target Portfolios. These target allocations were designed by the Illinois State Treasurer in consultation with the Program Manager and Wilshire Associates. The Program Manager rebalances the Portfolios on an ongoing basis pursuant to the stated investment strategy. The Illinois State Treasurer may change/substitute investment funds at any time without notice.

AGE-BASED AGGRESSIVE PORTFOLIO

Target Investment Allocations

Age of Beneficiary	0-8	9-12	13-16	17-20	21+
DFA U.S. Large Cap Value Fund	20%	16.5%	12%	7.5%	3.5%
American Century Equity Growth Fund	21%	17%	12.5%	8%	3.5%
T. Rowe Price Instl. Large-Cap Growth Fund	20%	16.5%	12%	7.5%	3.5%
Delaware Small Cap Core Fund	4%	3%	2.5%	2%	1%
Northern Small Cap Value Fund	3.5%	2.5%	2%	1.5%	1%
William Blair Small Cap Growth Fund	3.5%	2.5%	2%	1.5%	1%
Domestic Equity Total	**72%**	**58%**	**43%**	**28%**	**13.5%**
AllianceBernstein Int'l Value Fund	12.5%	10%	7.5%	5%	2.5%
Oppenheimer International Growth Fund	12.5%	10%	7.5%	5%	2.5%
International Equity Total	**25%**	**20%**	**15%**	**10%**	**5%**
ING Global Real Estate Fund	3%	2%	2%	2%	1.5%
Real Estate Total	**3%**	**2%**	**2%**	**2%**	**1.5%**
PIMCO Total Return Fund	0%	20%	17%	14%	12%
PIMCO Short-Term Fund	0%	0%	0%	20%	23%
PIMCO Low Duration Fund	0%	0%	20%	19%	17%
BlackRock Inflation Protected Bond Fund	0%	0%	3%	7%	8%
Bond Total	**0%**	**20%**	**40%**	**60%**	**60%**
BGI Institutional Money Market Fund	0%	0%	0%	0%	20%
Money Market Total	**0%**	**0%**	**0%**	**0%**	**20%**
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**

AGE-BASED GROWTH PORTFOLIO

Target Investment Allocations

Age of Beneficiary	0-8	9-12	13-16	17-20	21+
DFA U.S. Large Cap Value Fund	16.5%	12%	7.5%	3.5%	2%
American Century Equity Growth Fund	17%	12.5%	8%	3.5%	2%
T. Rowe Price Instl. Large-Cap Growth Fund	16.5%	12%	7.5%	3.5%	2%
Delaware Small Cap Core Fund	3%	2.5%	2%	1%	0.5%
Northern Small Cap Value Fund	2.5%	2%	1.5%	1%	0.5%
William Blair Small Cap Growth Fund	2.5%	2%	1.5%	1%	0.5%
Domestic Equity Total	**58%**	**43%**	**28%**	**13.5%**	**7.5%**
AllianceBernstein Int'l Value Fund	10%	7.5%	5%	2.5%	1.25%
Oppenheimer International Growth Fund	10%	7.5%	5%	2.5%	1.25%
International Equity Total	**20%**	**15%**	**10%**	**5%**	**2.5%**
ING Global Real Estate Fund	2%	2%	2%	1.5%	0%
Real Estate Total	**2%**	**2%**	**2%**	**1.5%**	**0%**
PIMCO Total Return Fund	20%	17%	14%	12%	0%
PIMCO Short-Term Fund	0%	0%	20%	23%	25%
PIMCO Low Duration Fund	0%	20%	19%	17%	15%
BlackRock Inflation Protected Bond Fund	0%	3%	7%	8%	10%
Bond Total	**20%**	**40%**	**60%**	**60%**	**50%**
BGI Institutional Money Market Fund	0%	0%	0%	20%	40%
Money Market Total	**0%**	**0%**	**0%**	**20%**	**40%**
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**

AGE-BASED BALANCED PORTFOLIO

Target Investment Allocations

Age of Beneficiary	0-8	9-12	13-16	17-20	21+
DFA U.S. Large Cap Value Fund	12%	7.5%	3.5%	2%	0%
American Century Equity Growth Fund	12.5%	8%	3.5%	2%	0%
T. Rowe Price Instl. Large-Cap Growth Fund	12%	7.5%	3.5%	2%	0%
Delaware Small Cap Core Fund	2.5%	2%	1%	0.5%	0%
Northern Small Cap Value Fund	2%	1.5%	1%	0.5%	0%
William Blair Small Cap Growth Fund	2%	1.5%	1%	0.5%	0%
Domestic Equity Total	**43%**	**28%**	**13.5%**	**7.5%**	**0%**
AllianceBernstein Int'l Value Fund	7.5%	5%	2.5%	1.25%	0%
Oppenheimer International Growth Fund	7.5%	5%	2.5%	1.25%	0%
International Equity Total	**15%**	**10%**	**5%**	**2.5%**	**0%**
ING Global Real Estate Fund	2%	2%	1.5%	0%	0%
Real Estate Total	**2%**	**2%**	**1.5%**	**0%**	**0%**
PIMCO Total Return Fund	17%	14%	12%	0%	0%
PIMCO Short-Term Fund	0%	20%	23%	25%	28%
PIMCO Low Duration Fund	20%	19%	17%	15%	12%
BlackRock Inflation Protected Bond Fund	3%	7%	8%	10%	10%
Bond Total	**40%**	**60%**	**60%**	**50%**	**50%**
BGI Institutional Money Market Fund	0%	0%	20%	40%	50%
Money Market Total	**0%**	**0%**	**20%**	**40%**	**50%**
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**

TARGET PORTFOLIOS

Target Investment Allocations

	Fund 100	Fund 80	Fund 60	Fund 40	Fund 20	Fund 10	Fixed Income
DFA U.S. Large Cap Value Fund	20%	16.5%	12%	7.5%	3.5%	2%	0%
American Century Equity Growth Fund	21%	17%	12.5%	8%	3.5%	2%	0%
T. Rowe Price Instl. Large-Cap Growth Fund	20%	16.5%	12%	7.5%	3.5%	2%	0%
Delaware Small Cap Core Fund	4%	3%	2.5%	2%	1%	0.5%	0%
Northern Small Cap Value Fund	3.5%	2.5%	2%	1.5%	1%	0.5%	0%
William Blair Small Cap Growth Fund	3.5%	2.5%	2%	1.5%	1%	0.5%	0%
Domestic Equity Total	**72%**	**58%**	**43%**	**28%**	**13.5%**	**7.5%**	**0%**
AllianceBernstein Int'l Value Fund	12.5%	10%	7.5%	5%	2.5%	1.25%	0%
Oppenheimer International Growth Fund	12.5%	10%	7.5%	5%	2.5%	1.25%	0%
International Equity Total	**25%**	**20%**	**15%**	**10%**	**5%**	**2.5%**	**0%**
ING Global Real Estate Fund	3%	2%	2%	2%	1.5%	0%	0%
Real Estate Total	**3%**	**2%**	**2%**	**2%**	**1.5%**	**0%**	**0%**
PIMCO Total Return Fund	0%	20%	17%	14%	12%	0%	0%
PIMCO Short-Term Fund	0%	0%	0%	20%	23%	25%	28%
PIMCO Low Duration Fund	0%	0%	20%	19%	17%	15%	12%
BlackRock Inflation Protected Bond Fund	0%	0%	3%	7%	8%	10%	10%
Bond Total	**0%**	**20%**	**40%**	**60%**	**60%**	**50%**	**50%**
BGI Institutional Money Market Fund	0%	0%	0%	0%	20%	40%	50%
Money Market Total	**0%**	**0%**	**0%**	**0%**	**20%**	**40%**	**50%**
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

The following table shows the target investment allocation for the Female- and Minority-Owned Growth Portfolio. This target allocation was designed by the Illinois State Treasurer in consultation with the Program Manager and Wilshire Associates. The Program Manager rebalances the Portfolios on an ongoing basis pursuant to the stated investment strategy. The Illinois State Treasurer may change/substitute investment funds at any time without notice.

FEMALE— AND MINORITY—OWNED GROWTH PORTFOLIO
Target Investment Allocation

	% Allocation
Sit Dividend Growth Fund	68%
Ariel Fund	13%
NCM Capital Mid-Cap Growth Fund	9%
Forward Small Cap Equity Fund	5%
Adelante U.S. Real Estate Securities Fund	3%
FMA Small Company Portfolio	2%
TOTAL	**100%**

The following table sets forth the ticker symbols and the total operating expenses, as disclosed in each fund's most recent prospectus dated prior to March 15, 2009, of the underlying investment funds in which the Portfolios invest.

FUND	Ticker Symbol	Annual Expense Ratio
BGI Institutional Money Market Fund (Instl.)	BGIXX	0.12%
Calvert Income Fund (Instl.)	CINCX	0.53%
PIMCO Short-Term Fund (Instl.)	PTSHX	0.46%
PIMCO Low Duration Fund (Instl.)	PTLDX	0.46%
PIMCO Total Return Fund (Instl.)	PTTRX	0.52%
BlackRock Inflation Protected Bond Fund (Class I)	BPRIX	0.45%
ING Global Real Estate Fund (Class I)	IGLIX	1.01%
T. Rowe Price Balanced Fund (Inv.)	RPBAX	0.66%
American Century Equity Growth Fund (Instl.)	AMEIX	0.47%
T. Rowe Price Instl. Large Cap Growth Fund (Instl.)	TRLGX	0.58%
American Century Growth Fund (Instl.)	TWGIX	0.80%
American Century Value Fund (Instl.)	AVLIX	0.80%
American Century Vista Fund (Instl.)	TWVIX	0.80%
DFA U.S. Large Cap Value Fund	DFLVX	0.28%
Eaton Vance Large Cap Value Fund (Instl.)	EILVX	0.73%
Delaware Small Cap Core Fund (Instl.)	DCCIX	1.10%
Northern Small Cap Value Fund	NOSGX	1.00%
Northern Instl. Equity Index Fund (Instl.)	BEIAX	0.21%
Northern Instl. Small Company Index Fund (Instl.)	BSCAX	0.31%
T. Rowe Price Equity Income Fund (Inv.)	PRFDX	0.67%
T. Rowe Price Extended Equity Market Index Fund (Inv.)	PEXMX	0.40%
William Blair Small Cap Growth Fund (Instl.)	WBSIX	1.20%
AllianceBernstein International Value Fund (Adv.)	ABIYX	0.84%
Oppenheimer International Growth Fund (Class Y)	OIGYX	0.74%
Northern Instl. International Equity Index Fund (Inv.)	BIEIX	0.41%
Calvert Social Investment Equity Fund (Instl.)	CEYIX	0.67%
T. Rowe Price Real Estate Fund (Inv.)	TRREX	0.74%
Earnest Partners Fixed Income Trust (Instl.)	EPFTX	0.40%
Sit Dividend Growth Fund (Class I)	SDVGX	1.02%
Ariel Fund	ARGFX	1.07%
NCM Capital Mid-Cap Growth Fund (No Load)	n/a	1.56%
Forward Small Cap Equity Fund (Instl.)	FFHIX	1.37%
Adelante U.S. Real Estate Securities Fund (Class Y)	LLUYX	0.90%
Payden U.S. Growth Leaders Fund	PUGLX	0.98%
FMA Small Company Portfolio	FMACX	1.38%

Set forth on the following pages are summary descriptions of the funds, selected by the Illinois State Treasurer in consultation with the Program Manager and Wilshire Associates, which make up the Target, Age-Based, Individual Fund, and Female- and Minority-Owned Portfolios. The descriptions are taken from the most recent prospectuses of the fund dated prior to March 15, 2009 and are intended to summarize their respective investment objectives and policies. The performance set forth was obtained directly from the various mutual fund companies and is believed to be accurate. Past performance is not a guarantee of future results.

For more complete information regarding any fund, you may request a prospectus from your financial advisor, the Program Manager, or by visiting www.brightdirections.com. All investments carry some degree of risk which will affect the value of the Fund's investments, investment performance, and price of its shares. It is possible to lose money by investing in the Funds. For complete information please see the Fund's Prospectus.

BGI Institutional Money Market Fund
(Institutional Shares)

The Institutional Money Market Fund ("***The Fund***") participated in the U.S. Department of the Treasury's Temporary Guarantee Program for Money Market Funds (the "***Program***") through December 18, 2008 and has applied for continued participation in the Program through the Treasury's extension date of April 30, 2009.

The Program protects the shares of any shareholder of record in The Fund on September 19, 2008 ("***Covered Shareholder***"); it does not protect investors who were not shareholders of record in The Fund on that date. The number of shares protected is the lesser of the number of shares owned by a Covered Shareholder on September 19. 2008 and the number of shares owned when a guarantee event occurs. A guarantee event generally would occur if The Fund's market-based net asset value per share were less than $0.995. A Covered Shareholder will receive $1.00 per protected share upon liquidation of The Fund (subject to adjustment and the overall limit of $50 billion available to all money market funds participating in the Program).

The initial period of the Program extended through December 18, 2008 (the "***Initial Period***") and The Fund paid to the Treasury an amount equal to 0.01% of the net asset value of The Fund as of September 19, 2008 in order to participate during the Initial Period. The Treasury extended the Program though April 30, 2009 (the "***Extension Period***") and The Fund applied to participate in the Program during the Extension Period. Participation during the Extension Period requires a payment to the Treasury in the amount equal to 0.015% of the net asset value of The Fund as of September 19, 2008. As is the case with the participation during the Initial Period, the expenses associated with the participation during the Extension Period will be borne by The Fund.

The Program may be extended again the Treasury though September 18, 2009. In the event that the Program is again extended, the Board of Trustees of Barclays Global Investors Funds will consider whether The Fund should continue to participate.

Investment Objective. To seek a high level of income consistent with liquidity and the preservation of capital.

Primary Investment Strategies. The Fund seeks to achieve its investment objective by investing in high-quality, short-term money market instruments that, at the time of investment, have remaining maturities of 397 calendar days or less from the date of acquisition. The Fund's portfolio will maintain an average weighted maturity of 90 days or less. Under normal circumstances, the Fund expects to invest at least 95% of its assets in any combination of such investments, which may include certificates of deposit; high-quality debt obligations, such as corporate debt and certain asset-backed securities; certain obligations of U.S. and foreign banks; certain repurchase agreements; and certain obligations of the U.S. government, its agencies and instrumentalities (including government-sponsored enterprises).

The Institutional Money Market Fund reserves the right to concentrate its investments (*i.e.*, invest 25% or more of its total assets in securities of issuers in a particular industry) in the obligations of domestic banks.

Primary Risks. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Fund.

While some of the Fund's portfolio securities are issued and guaranteed by the U.S. government, its agencies or instrumentalities, such securities are subject to the risk of sharply rising or falling interest rates that could cause the Fund's income to fluctuate as the market value of the Fund's securities fluctuates.

The Fund's income and/or share price could also be affected by downgrades or defaults of any of the Fund's holdings. Certain securities issued by U.S. government-sponsored entities, such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Home Loan Banks, are not guaranteed by the U.S. government, and no assurance can be given that the U.S. government would provide financial support to its agencies or instrumentalities where it is not obligated to do so.

The Fund's yield will vary as the securities in its portfolio mature or are sold and the proceeds are reinvested in securities with different interest rates.

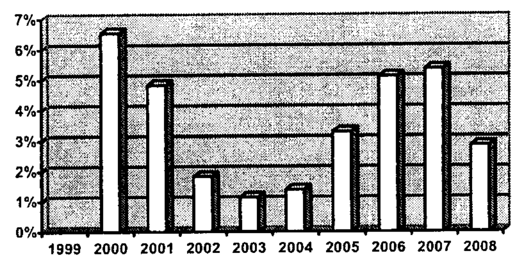
The risks generally associated with concentrating investments in the banking industry include interest rate risk, credit risk, and the risk of negative regulatory or market developments affecting the banking and financial services industries.

Fees & Expenses.
(Based on the prospectus dated May 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.12%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008	1 Yr	5 Yr	Since Inception
BGI Instl. Money Market (8/4/99)	2.85%	3.59%	3.60%

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Calvert Income Fund
(Institutional Shares)

Investment Objective. The Fund seeks to maximize income, to the extent consistent with preservation of capital, through investment in bonds and other income producing securities.

Primary Investment Strategies. The Fund uses an active strategy, seeking relative value to earn incremental income. The Fund typically invests at least 65% of its net assets in investment grade, U.S. dollar-denominated debt securities, as assessed at the time of purchase. A debt security is investment grade when assigned a credit quality rating of BBB or higher by Standard & Poor's ("S&P") or an equivalent rating by a nationally recognized statistical rating organization ("NRSRO"), including Moody's Investor Service or Fitch Ratings, or if unrated, considered to be of comparable credit quality by the Fund's Advisor. There is no limit on the amount of unrated securities that may be purchased.

With a change in rating of a debt security, the Advisor will review the security's fundamentals with the credit research team and determine its position on the security, given its fundamental outlook for the security and the price at which the security then trades. This is consistent with the Advisor's relative value approach to investing in all securities. A downgrade/upgrade in a security's credit quality rating is not an automatic signal to sell/buy that security.

The Fund invests principally in bonds issued by the U.S. Treasury and its agencies (*e.g.,* Government National Mortgage Association), the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") and U.S. corporations. The Fund also may invest in taxable municipal securities, asset-backed securities ("ABS") of U.S. issuers and repurchase agreements.

The Fund may invest in securities that represent interests in pools of mortgage loans or other assets assembled for sale to investors by various U.S. governmental agencies, government-related organizations and private issuers. These investments may include derivative securities such as collateralized mortgage obligations ("CMOs") and ABS. The holder of an interest in a CMO or ABS is entitled to receive specified cash flows from a pool of underlying assets. Depending upon the CMO or ABS class purchased, the holder may be entitled to payment before the cash flow from the pool is used to pay CMO or ABS classes with a lower priority of payment or, alternatively, the holder may be paid only after the cash flow has been used to pay CMO or ABS classes with a higher priority of payment.

The Fund may invest up to 35% of its net assets in below-investment grade, high-yield debt securities (commonly known as "junk bonds"), including bonds rated in default. A debt security is below investment grade when assigned a credit quality rating below BBB by Standard & Poor's or an equivalent rating by NRSRO, or if unrated, considered to be of comparable credit quality by the Fund's Advisor.

The Fund may also invest up to 25% of its net assets in foreign debt securities. Foreign debt securities include American Depositary Receipts ("ADRs"), which are certificates evidencing ownership of shares of a foreign issuer. ADRs are U.S. dollar-dominated certificates issued by a U.S. bank and traded on exchanges or over-the-counter in the U.S. as domestic shares. The certificates represent the number of foreign issuers' securities a custodian bank holds in the country of origin. The Fund may invest in either sponsored of unsponsored ADRs.

The Fund's investments may have all types of interest rate payment and reset terms, including fixed rate, adjustable rate, zero coupon, contingent, deferred, payment-in-kind and auction rate features. The Fund will invest in instruments with principal payments that are both fixed and variable.

The Fund may also use a hedging technique that includes the purchase and sale of U.S. Treasury securities and related futures contracts for the purpose of managing the duration of the Fund.

Although the Fund may employ leverage by borrowing money and using it for the purchase of additional securities, the Fund does not currently intend to do so.

The sell discipline is one that seeks to maximize relative value by liquidating securities that have outperformed their comparables, swapping them for cheaper securities with more upside potential and by reducing portfolio risk by selling that, in the Advisor's opinion, have weakened, when considering credit risk and the overall economic outlook.

Primary Risks. You could lose money on your investment in the Fund, or the Fund could underperform, because of the following risks:

- The Fund is non-diversified. Compared to other funds, the Fund may invest more of its assets in a smaller number of companies. Gains or losses on a single bond may have greater impact on the Fund.

- The market prices of bonds may decline

- The credit quality of the securities may deteriorate, which could lead to default or bankruptcy of the issuer where the issuer becomes unable to pay its obligations when due.

- FNMA and FHLMC issue debt and mortgage-backed securities commonly known as Fannie Maes and Freddie Macs, respectively. Securities issued by government-sponsored enterprises ("GSEs") such as FNMA and FHLMC are neither insured nor guaranteed by the U.S. Treasury and are not backed by the full faith and credit of the U.S. Government. Such securities are only supported by the credit of the GSE. The U.S. government recently provided financial support to FNMA and FHLMC, but there can be no assurance that it will support these or other GSEs in the future. Mortgage-backed securities are subject to the risk of prepayment, where faster than anticipated prepayments may occur (usually in response to lower interest rates) cause a mortgage-backed security to mature prior to its expected maturity date, typically reducing the value of a mortgage-backed security purchased at a premium. The Fund must then reinvest those assets at the current market rate, which may be lower. Mortgage-backed securities are also subject to the risk of extension, where slower than anticipated prepayments (usually in response to higher interest rates) extend the life of a mortgage-backed security beyond the expected maturity date, typically reducing the value of a mortgage-backed security purchased at a discount. In addition, if held to maturity, the Fund will not have access to the principal to invest when expected and may have to forgo other investment opportunities.

- The individual bonds in the Fund may not perform as well as expected, due to credit, political or other risks and/or the Fund's portfolio management practices may not work to achieve their desired result.

- A change in interest rates may adversely affect the value of an investor's securities.

- The Advisor's allocation among different sectors of the bond market and among bonds with maturities of different length may not perform as well as expected.

- Investments in junk bonds can involve a substantial risk of loss. Junk bonds are considered to be speculative with respect to the issuer's ability to pay interest and principal. These securities, which are rated below investment grade, have a higher risk of issuer default, are subject to greater price volatility and may be illiquid.

- For bonds in default (rated "D" by Standard & Poor's ("S&P") or the equivalent by an NRSRO) there is a significant risk of not achieving full recovery.

- Unrated securities, while not necessarily of lower quality than rated securities, generally do not have a broad market. Before purchasing an unrated security, the Advisor intends to analyze the creditworthiness of the issuer of the security and of any financial institution or other party responsible for payments on the security.

- For corporate and taxable municipal bonds as well as for collateralized loan obligations and collateralized debt obligations, there is credit risk in addition to the interest rate risk that affects all fixed-income securities.

- For foreign debt securities, there are additional risks relating to political, social, and economic developments abroad. Other risks from these investments result from the differences between the regulations to which U.S. and foreign issuers and markets are subject, and the potential for foreign markets to be less liquid and more volatile than U.S. markets.

- Investment in foreign securities also involves the risk that securities which trade or are denominated in currencies other than the U.S. dollar may be affected by fluctuations in currency exchange rates. An increase in the strength of the U.S. dollar relative to a foreign currency will generally cause the U.S. dollar value of an investment denominated in that currency to decline. Currency risk may be hedged or unhedged. Unhedged currency exposure may result in gains or losses as a result of a change in the relationship between the U.S. dollar and the respective foreign currency.

- The risks of ADRs include many of the risks associated with investing directly in foreign securities such as individual country risk (*e.g.,* political and economic) and currency risk. A sponsored ADR is preferable to an unsponsored ADR as the company is then subject to U.S. reporting requirements and will pay the costs of distributing dividends and shareholder materials. With an unsponsored ADR, the U.S. bank will recover costs from the movement of share prices and the payment of dividends. Normally, less information is available on unsponsored ADRs.

- Repurchase agreements are transactions in which the Fund purchases a security, and the seller simultaneously commits to repurchase that security at a mutually agreed-upon time and price. A repurchase agreement exposes the Fund to the risk that the party that sells the security may default on its obligation to repurchase it. In this circumstance, the Fund may lose money because it cannot sell the security at the agreed-upon time and price or the security loses value before it can be sold. The Fund seeks to reduce this risk by monitoring the creditworthiness of the counterparty and the market value of the underlying security.

- The Fund employs an active style that seeks to maximize income to the extent consistent with preservation of capital. The active style can result in higher turnover, exceeding 100%, and may cause the Fund to have a relatively high amount of short-term capital gains, which are taxable to you at the ordinary income tax rate, and may translate to higher transaction costs.

- In leveraged transactions, borrowing magnifies the potential for gain or loss on the Fund's portfolio securities and therefore, if employed, increases the possibility of fluctuation in the Fund's net asset value ("NAV"). Borrowing is subject to interest costs, which may or may not be recovered by appreciation of the securities purchased.

- A futures contract is an agreement between two parties to buy and sell a security on a future date which has the effect of establishing the current price for the security. Many futures contracts by their terms require actual delivery and acceptance of securities, but some allow for cash settlement of the difference between the futures price and the market value of the underlying security or index at time of delivery. The value of a futures contract tends to increase and decrease in tandem with the value of the underlying instrument. The price of futures can be highly volatile; using them could lower total return, and the potential loss from futures can exceed the Fund's initial investment in such contracts.

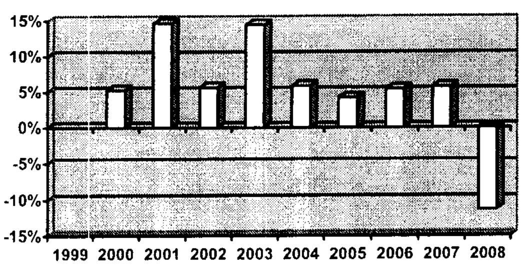
An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.
(Based on the prospectus dated January 31, 2009)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.53%
Redemption Fee (as a % of redemption proceeds) Note: Redemption fee applies only to redemptions, including exchanges, within 7 days of purchase.	2.00%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	Since Inception
Calvert Income (2/26/99)	-11.35%	1.73%	5.54%
Barclays Capital U.S. Credit Index	-3.08%	2.65%	5.09%

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PIMCO Short-Term Fund
(Institutional Shares)

Investment Objective. Seeks maximum current income, consistent with preservation of capital and daily liquidity.

Primary Investment Strategies. The Fund seeks to achieve its investment objective by investing under normal circumstances at least 65% of its total assets in a diversified portfolio of Fixed Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts, or swap agreements. The average portfolio duration of this Fund will vary based on PIMCO's forecast for interest rates and will normally not exceed one year. For point of reference, the dollar-weighted average portfolio maturity of this Fund is normally not expected to exceed three years.

The Fund invests primarily in investment grade debt securities, but may invest up to 10% of its total assets in high yield securities ("junk bonds") rated B or higher by Moody's, or equivalently rated by S&P or Fitch, or, if unrated, determined by PIMCO to be of comparable quality. The Fund may invest up to 10% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S dollar-denominated securities of foreign issuers. The Fund will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 20% of its total assets.

The Fund may invest all of its assets in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage-or asset-backed securities. The Fund may, without limitation, seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs or dollar rolls). The Fund may also invest up to 10% of its total assets in preferred stocks.

Primary Risks. The principal risks of investing in the Fund, which could adversely affect its net asset value, yield, and total return are:

Interest Rate Risk - The risk that fixed income securities will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by the fund are likely to decrease. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.

Credit Risk - The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Municipal bonds are subject to the risk that litigation, legislation or other political events, local business or economic conditions, or bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal and/or interest.

High Yield Risk - Funds that invest in high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") may be subject to greater levels of credit and liquidity risk than funds that do not invest in such securities. These securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the Fund's ability to sell these securities (liquidity risk). If the issuer of a security is in default with respect to interest or principal payments, the Fund may lose its entire investment.

Market Risk - The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities market, multiple asset classes may decline in value simultaneously. Equity securities generally have greater price volatility than fixed income securities.

Issuer Risk – The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods and services.

Liquidity Risk – Liquidity risk exists when particular investments are difficult to purchase or sell. The Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. In such cases, the Fund, due to limitations on investments in illiquid securities and the difficulty in purchasing and selling such securities or instruments may be unable to achieve its desired level of exposure to a certain sector. To the extent that a Fund's principal investment strategies involve foreign (non-U.S.) securities, derivatives or securities with substantial market and/or credit risk, the Fund will tend to have the greatest exposure to liquidity risk.

Derivatives Risk – Derivatives are financial contracts whose values depend on, or are derived from, the value of an underlying asset, reference rate or index. The Fund typically use derivatives as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. The Fund may also use derivatives for leverage, in which case their use would involve leveraging risk. A Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks described elsewhere in this section, such as liquidity risk, interest rate risk, market risk, credit risk and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. A Fund investing in a derivative instrument could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that a Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

Equity Risk - The values of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

Mortgage-Related and other Asset-Backed Risk - Mortgage-related and other asset-backed securities are subject to certain additional risks. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if the Fund holds mortgage-related securities, it may exhibit additional volatility. This is known as extension risk. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of the Fund because the Fund may have to reinvest that money at the lower prevailing interest rates. The Fund's investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.

Foreign (Non-U.S.) Investment Risk - A Fund that invests in foreign (non-U.S.) securities may experience more rapid and extreme changes in value than a Fund that invests exclusively in securities of U.S. companies. The securities markets of many foreign countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers of foreign securities are usually not subject to the same degree of regulation as U.S. issuers. Reporting, accounting and auditing standards of foreign countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or confiscatory taxation, currency blockage, political changes or diplomatic developments could adversely affect the Fund's investments in a foreign country. In the event of nationalization, expropriation or other confiscation, the Fund could lose its entire investment in foreign securities. Adverse conditions in a certain region can adversely affect securities of other countries whose economies appear to be unrelated. To the extent that a Fund invests a significant portion of its assets in a specific geographic region, the Fund will generally have more exposure to regional economic risks associated with foreign investments.

Currency Risk - If the Fund invests directly in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, foreign (non-U.S.) currencies, or in derivatives that provide exposure to foreign (non-U.S.) currencies, it will be subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. As a result, the Fund's investments in foreign currency-denominated securities may reduce the returns of the Fund.

Leveraging Risk - Certain transactions may give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions. The use of derivatives may also create leveraging risk. To mitigate leveraging risk, PIMCO will segregate or "earmark" liquid assets or otherwise cover the transactions that may give rise to such risk. The Fund also may be exposed to leveraging risk by borrowing money for investment purposes. Leveraging may cause the Fund to liquidate portfolio positions to satisfy its obligations or to meet segregation requirements when it may not be advantageous to do so. Leveraging, including borrowing, may cause the Fund to be more volatile than if the Fund had not been leveraged. This is because leveraging tends to exaggerate the effect of any increase or decrease in the value of the Fund's portfolio securities.

Management Risk - The Fund is subject to management risk because it is an actively managed investment portfolio. PIMCO and each individual portfolio manager will apply investment techniques and risk analyses in making investment decisions for the Funds, but there can be no guarantee that these decisions will produce the desired results. Additionally, legislative, regulatory, or tax developments may affect the investment techniques available to PIMCO and each individual portfolio manager in connection with managing the Funds and may also adversely affect the ability of the Funds to achieve their investment objectives.

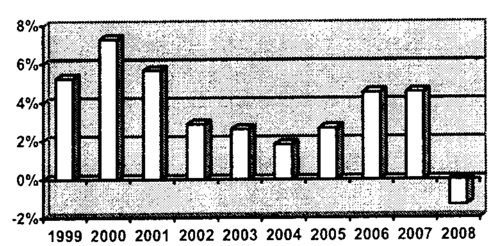
Short Sales Risk - The Fund's short sales, if any, are subject to special risks. A short sale involves the sale by the Fund of a security that it does not own with the hope of purchasing the same security at a later date at a lower price. The Fund may also enter into a short derivative position through a futures contract or swap agreement. If the price of the security or derivative has increased during this time, then the Fund will incur a loss equal to the increase in price from the time that the short sale was entered into plus any premiums and interest paid to the third party. Therefore, short sales involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment. Also, there is the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Fund.

Fees & Expenses.
(Based on the prospectus dated October 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.46%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
PIMCO Short-Term	-1.30%	2.55%	3.56%
Citigroup 3-mo Treasury Bill Index	1.80%	3.10%	3.30%

*****

PIMCO Low Duration Fund
(Institutional Shares)

Investment Objective. Seeks maximum total return, consistent with preservation of capital and prudent investment management.

Primary Investment Strategies. The Fund seeks to achieve its investment objective by investing under normal circumstances at least 65% of its total assets in a diversified portfolio of Fixed Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts, or swap agreements. The average portfolio duration of this Fund normally varies from one to three years based on PIMCO's forecast for interest rates.

The Fund invests primarily in investment grade debt securities, but may invest up to 10% of its total assets in high yield securities ("junk bonds") rated B or higher by Moody's, or equivalently rated by S&P or Fitch, or, if unrated, determined by PIMCO to be of comparable quality. The Fund may invest up to 30% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers. The Fund will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 20% of its total assets. The Fund may invest up to 10% of its total assets in securities and instruments that are economically tied to emerging market countries.

The Fund may invest all of its assets in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage-or asset-backed securities. The Fund may, without limitation, seek to obtain market exposure to the securities in which it primarily invests by entering into a series or purchase and sale contracts or by using other investment techniques (such as buy backs or dollar rolls). The "total return" sought by the Fund consists of income earned on the Fund's investments, plus capital appreciation, if any, which generally arises from decreases in interest rates, foreign currency appreciation, or improving credit fundamentals for a particular sector or security. The Fund may also invest up to 10% of its total assets in preferred stocks.

Primary Risks. The principal risks of investing in the Fund, which could adversely affect its net asset value, yield, and total return, are:

Interest Rate Risk - The risk that fixed income securities will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by the fund are likely to decrease. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.

Credit Risk – The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Municipal bonds are subject to the risk that litigation, legislation or other political events, local business or economic conditions, or bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal and/or interest.

High Yield Risk – Funds that invest in high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") may be subject to greater levels of credit and liquidity risk than funds that do not invest in such securities. These securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the Fund's ability to sell these securities (liquidity risk). If the issuer of a security is in default with respect to interest or principal payments, the Fund may lose its entire investment.

Market Risk – The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities market, multiple asset classes may decline in value simultaneously. Equity securities generally have greater price volatility than fixed income securities.

Issuer Risk – The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods and services.

Liquidity Risk – Liquidity risk exists when particular investments are difficult to purchase or sell. The Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. In such cases, the Fund, due to limitations on investments in illiquid securities and the difficulty in purchasing and selling such securities or instruments may be unable to achieve its desired level of exposure to a certain sector. To the extent that a Fund's principal investment strategies involve foreign (non-U.S.) securities, derivatives or securities with substantial market and/or credit risk, the Fund will tend to have the greatest exposure to liquidity risk.

Derivatives Risk – Derivatives are financial contracts whose values depend on, or are derived from, the value of an underlying asset, reference rate or index. The Fund typically use derivatives as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. The Fund may also use derivatives for leverage, in which case their use would involve leveraging risk. A Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks described elsewhere in this section, such as liquidity risk, interest rate risk, market risk, credit risk and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. A Fund investing in a derivative instrument could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that a Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

Equity Risk – The values of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

Mortgage-Related and other Asset-Backed Risk - Mortgage-related and other asset-backed securities are subject to certain additional risks. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if the Fund holds mortgage-related securities, it may exhibit additional volatility. This is known as extension risk. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of the Fund because the Fund may have to reinvest that money at the lower prevailing interest rates. The Fund's investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.

Foreign (Non-U.S.) Investment Risk – A Fund that invests in foreign (non-U.S.) securities may experience more rapid and extreme changes in value than a Fund that invests exclusively in securities of U.S. companies. The securities markets of many foreign countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers of foreign securities are usually not subject to the same degree of regulation as U.S. issuers. Reporting, accounting and auditing standards of foreign countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or confiscatory taxation, currency blockage, political changes or diplomatic developments could adversely affect the Fund's investments in a foreign country. In the event of nationalization, expropriation or other confiscation, the Fund could lose its entire investment in foreign securities. Adverse conditions in a certain region can adversely affect securities of other countries whose economies appear to be unrelated. To the extent that a Fund invests a significant portion of its assets in a specific geographic region, the Fund will generally have more exposure to regional economic risks associated with foreign investments.

Currency Risk - If the Fund invests directly in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, foreign (non-U.S.) currencies, or in derivatives that provide exposure to foreign (non-U.S.) currencies, it will be subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. As a result, the Fund's investments in foreign currency-denominated securities may reduce the returns of the Fund.

Leveraging Risk - Certain transactions may give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions. The use of derivatives may also create leveraging risk. To mitigate leveraging risk, PIMCO will segregate or "earmark" liquid assets or otherwise cover the transactions that may give rise to such risk. The Fund also may be exposed to leveraging risk by borrowing money for investment purposes. Leveraging may cause the Fund to liquidate portfolio positions to satisfy its obligations or to meet segregation requirements when it may not be advantageous to do so. Leveraging, including borrowing, may cause the Fund to be more volatile than if the Fund had not been leveraged. This is because leveraging tends to exaggerate the effect of any increase or decrease in the value of the Fund's portfolio securities.

Management Risk - The Fund is subject to management risk because it is an actively managed investment portfolio. PIMCO and each individual portfolio manager will apply investment techniques and risk analyses in making investment decisions for the Funds, but there can be no guarantee that these decisions will produce the desired results. Additionally, legislative, regulatory, or tax developments may affect the investment techniques available to PIMCO and each individual portfolio manager in connection with managing the Funds and may also adversely affect the ability of the Funds to achieve their investment objectives.

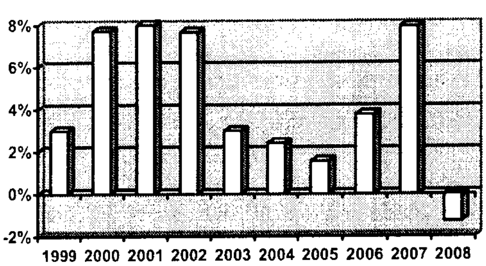
Short Sales Risk - The Fund's short sales, if any, are subject to special risks. A short sale involves the sale by the Fund of a security that it does not own with the hope of purchasing the same security at a later date at a lower price. The Fund may also enter into a short derivative position through a futures contract or swap agreement. If the price of the security or derivative has increased during this time, then the Fund will incur a loss equal to the increase in price from the time that the short sale was entered into plus any premiums and interest paid to the third party. Therefore, short sales involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment. Also, there is the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Fund.

Fees & Expenses.
(Based on the prospectus dated October 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.46%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
PIMCO Low Duration	-1.28%	2.82%	4.32%
Merrill Lynch 1-3 Yr Treasury Index	6.61%	4.06%	4.71%

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PIMCO Total Return Fund
(Institutional Shares)

Investment Objective. Seeks maximum total return, consistent with preservation of capital and prudent investment management.

Primary Investment Strategies. The Fund seeks achieve its investment objective by investing under normal circumstances at least 65% of its total assets in a diversified portfolio of Fixed Income Instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts, or swap agreements. The average portfolio duration of this Fund normally varies within two years (plus or minus) of the duration of the Lehman Brothers Aggregate Bond Index, which as of June 30, 2008 was 4.68 years.

The Fund invests primarily in investment grade debt securities, but may invest up to 10% of its total assets in high yield securities ("junk bonds") rated B or higher by Moody's, or equivalently by S&P or Fitch, or, if unrated, determined by PIMCO to be of comparable quality. The Fund may invest up to 30% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers. The Fund may invest up to 15% of its total assets in securities and instruments that are economically tied to emerging market countries. The Fund will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 20% of its total assets.

The Fund may invest all of its assets in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage-or asset-backed securities. The Fund may not invest in equity securities. The Fund may, without limitation, seek to obtain market exposure to the securities in which it primarily invests by entering into a series or purchase and sale contracts or by using other investment techniques (such as buy backs or dollar rolls). The "total return" sought by the Fund consists of income earned on the Fund's investments, plus capital appreciation, if any, which generally arises from decreases in interest rates, foreign currency appreciation, or improving credit fundamentals for a particular sector or security.

Primary Risks. The principal risks of investing in the Fund, which could adversely affect its net asset value, yield, and total return, are:

Interest Rate Risk - The risk that fixed income securities will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by the fund are likely to decrease. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.

Credit Risk - The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Municipal bonds are subject to the risk that litigation, legislation or other political events, local business or economic conditions, or bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal and/or interest.

High Yield Risk - Funds that invest in high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") may be subject to greater levels of credit and liquidity risk than funds that do not invest in such securities. These securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the Fund's ability to sell these securities (liquidity risk). If the issuer of a security is in default with respect to interest or principal payments, the Fund may lose its entire investment.

Market Risk - The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities market, multiple asset classes may decline in value simultaneously. Equity securities generally have greater price volatility than fixed income securities.

Issuer Risk - The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods and services.

Liquidity Risk – Liquidity risk exists when particular investments are difficult to purchase or sell. The Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. In such cases, the Fund, due to limitations on investments in illiquid securities and the difficulty in purchasing and selling such securities or instruments may be unable to achieve its desired level of exposure to a certain sector. To the extent that a Fund's principal investment strategies involve foreign (non-U.S.) securities, derivatives or securities with substantial market and/or credit risk, the Fund will tend to have the greatest exposure to liquidity risk.

Derivatives Risk – Derivatives are financial contracts whose values depend on, or are derived from, the value of an underlying asset, reference rate or index. The Fund typically use derivatives as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. The Fund may also use derivatives for leverage, in which case their use would involve leveraging risk. A Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks described elsewhere in this section, such as liquidity risk, interest rate risk, market risk, credit risk and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. A Fund investing in a derivative instrument could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that a Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

Mortgage-Related and other Asset-Backed Risk – Mortgage-related and other asset-backed securities are subject to certain additional risks. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if the Fund holds mortgage-related securities, it may exhibit additional volatility. This is known as extension risk. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of the Fund because the Fund may have to reinvest that money at the lower prevailing interest rates. The Fund's investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.

Foreign (Non-U.S) Investment Risk – A Fund that invests in foreign (non-U.S.) securities may experience more rapid and extreme changes in value than a Fund that invests exclusively in securities of U.S. companies. The securities markets of many foreign countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers of foreign securities are usually not subject to the same degree of regulation as U.S. issuers. Reporting, accounting and auditing standards of foreign countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or confiscatory taxation, currency blockage, political changes or diplomatic developments could adversely affect the Fund's investments in a foreign country. In the event of nationalization, expropriation or other confiscation, the Fund could lose its entire investment in foreign securities. Adverse conditions in a certain region can adversely affect securities of other countries whose economies appear to be unrelated. To the extent that a Fund invests a significant portion of its assets in a specific geographic region, the Fund will generally have more exposure to regional economic risks associated with foreign investments.

Emerging Markets Risk – Foreign investment risk may be particularly high to the extent that the Fund invests in emerging market securities that are economically tied to countries with developing economies. These securities may present market, credit, currency, liquidity, legal, political and other risks different from, or greater than, the risk of investing in developed foreign countries.

Currency Risk – If the Fund invests directly in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, foreign (non-U.S.) currencies, or in derivatives that provide exposure to foreign (non-U.S.) currencies, it will be subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. As a result, the Fund's investments in foreign currency-denominated securities may reduce the returns of the Fund.

Leveraging Risk – Certain transactions may give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions. The use of derivatives may also create leveraging risk. To mitigate leveraging risk, PIMCO will segregate or "earmark" liquid assets or otherwise cover the transactions that may give rise to such risk. The Fund also may be exposed to leveraging risk by borrowing money for investment purposes. Leveraging may cause the Fund to liquidate portfolio positions to satisfy its obligations or to meet segregation requirements when it may not be advantageous to do so. Leveraging, including borrowing, may cause the Fund to be more volatile than if the Fund had not been leveraged. This is because leveraging tends to exaggerate the effect of any increase or decrease in the value of the Fund's portfolio securities.

Management Risk – The Fund is subject to management risk because it is an actively managed investment portfolio. PIMCO and each individual portfolio manager will apply investment techniques and risk analyses in making investment decisions for the Funds, but there can be no guarantee that these decisions will produce the desired results. Additionally, legislative, regulatory, or tax developments may affect the investment techniques available to PIMCO and each individual portfolio manager in connection with managing the Funds and may also adversely affect the ability of the Funds to achieve their investment objectives.

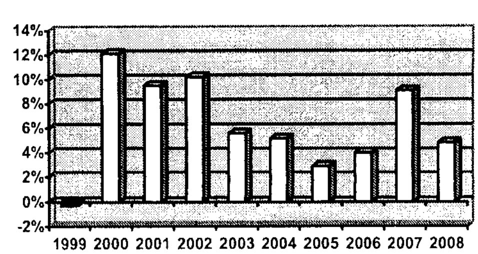
Short Sale Risk - The Fund's short sales, if any, are subject to special risks. A short sale involves the sale by the Fund of a security that it does not own with the hope of purchasing the same security at a later date at a lower price. The Fund may also enter into a short derivative position through a futures contract or swap agreement. If the price of the security or derivative has increased during this time, then the Fund will incur a loss equal to the increase in price from the time that the short sale was entered into plus any premiums and interest paid to the third party. Therefore, short sales involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment. Also, there is the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the Fund.

Fees & Expenses.
(Based on the prospectus dated October 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.52%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Return



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
PIMCO Total Return	4.81%	5.16%	6.23%
Barclays Capital U.S. Aggregate Index	5.24%	4.65%	5.63%

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BlackRock Inflation Protected Bond Portfolio
(Institutional Shares)

Investment Objective. To seek maximize real return, consistent with preservation of real capital and prudent investment management.

Primary Investment Strategies. Under normal circumstances, the Fund invests at least 80% of its assets in inflation-indexed bonds of varying maturities issued by the U.S. and non-U.S. governments, their agencies or instrumentalities, and U.S. and non-U.S. corporations. The value of the bond's principal or the interest income paid on the bond is adjusted to track changes in an official inflation measure.

The Fund maintains an average portfolio duration that is within +/- 20% of the duration of the **Barclays Capital Global Real: U.S. TIPS Index** (the benchmark).

The Fund may invest up to 20% of its assets in non-investment grade bonds (high yield or junk bonds) or securities of emerging market issuers. The Fund may also invest up to 20% of its assets in non-dollar denominated securities of non-U.S. issuers, and may invest without limit in U.S. dollar denominated securities of non-U.S. issuers.

The Fund is non-diversified, which means that it may concentrate its assets in a smaller number of issuers than a diversified fund.

The Fund also makes investments in residential and commercial mortgage-backed securities and other asset-backed securities. Non-investment grade bonds acquired by the Fund will generally be in the lower rating categories of the major rating agencies (BB or lower by Standard & Poor's or Ba or lower by Moody's) or will be determined by the management team to be of similar quality. Split rated bonds will be considered to have the higher credit rating.

The Fund may buy or sell options or futures, or enter into credit defaults swaps and interest rate or foreign currency transactions, including swaps (collectively, commonly known as derivatives). The Fund may seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as reverse repurchase agreements or dollar rolls).

The Fund is classified as non-diversified under the Investment Company Act of 1940, as amended.

Primary Risks.
Call Risk - The risk that, during a period of falling interest rates, the issuer may redeem a security by repaying it early, which may reduce a Fund's income if the proceeds are reinvested at lower interest rates.

Credit-Default Swaps Risks — Credit default swaps involve special risks because they are difficult to value, are highly susceptible to liquidity and credit risk, and generally pay a return to the party that has paid the premium only in the event of an actual default by the issuer of the underlying obligation (as opposed to a credit downgrade or other indication of financial difficulty).

Credit Risk —The risk that the issuer of a bond will not be able to make payments of interest and principal when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of a Fund's investment in that issuer.

Deflation Risk — The possibility that prices throughout the economy decline over time — the opposite of inflation. If inflation is negative, the principal and income of an inflation-protected bond will decline and could result in losses for a Fund.

Derivatives Risks — Derivatives risks include the possibility that the counterparty may not satisfy its obligations under an instrument, that it may be difficult to sell or otherwise terminate certain derivative instruments in certain circumstances, and that small price movements may be multiplied through derivatives exposure, potentially significantly increasing volatility of a Fund.

Emerging Markets Risk — The risks of foreign investments are usually much greater for emerging markets. Investments in emerging markets may be considered speculative. Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. They are more likely to experience hyperinflation and currency devaluations, which adversely affect returns to U.S. investors. In addition, emerging markets have far lower trading volumes and less liquidity than developed markets.

Foreign Securities Risks — Securities traded in foreign markets have often (though not always) performed differently from securities traded in the United States. However, such investments often involve special risks not present in U.S. investments that can increase the chances that a Fund will lose money. These risks include:

Foreign Economy Risk — The economies of certain foreign markets may not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of capital, resources and balance of payments position. In addition, the governments of certain countries may prohibit or impose substantial restrictions on foreign investments in their capital markets or in certain industries.

Currency Risk — Securities and other instruments in which a Fund invests may be denominated or quoted in currencies other than the U.S. dollar. For this reason, changes in foreign currency exchange rates can affect the value of a Fund's portfolio.

Governmental Supervision and Regulation/Accounting Standards — Many foreign governments do not supervise and regulate stock exchanges, brokers and the sale of securities to the same extent as such regulations exist in the United States. They also may not have laws to protect investors that are comparable to U.S. securities laws.

Certain Risks of Holding Fund Assets outside the United States — A Fund generally holds its foreign securities and cash in foreign banks and securities depositories. Some foreign banks and securities depositories may be recently organized or new to the foreign custody business. In addition, there may be limited or no regulatory oversight of their operations.

Settlement Risk — Settlement and clearance procedures in certain foreign markets differ significantly from those in the United States.

High Portfolio Turnover Risk — High portfolio turnover (more than 100%) may result in increased transaction costs to a Fund, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the securities and on reinvestment in other securities. The sale of Fund portfolio securities may result in the recognition of capital gain or loss. Given the frequency of sales, such gain or loss will likely be short-term capital gain or loss. These effects of higher than normal portfolio turnover may adversely affect Fund performance.

Inflation Indexed Bond Risk — Inflation-indexed bonds are fixed income securities whose principal value is periodically adjusted according to the rate of inflation. If the index measuring inflation falls, the principal value of inflation-indexed bonds will be adjusted downward, and consequently the interest payable on these securities (calculated with respect to a smaller principal amount) will be reduced. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury inflation-indexed bonds. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

Interest Rate Risk — Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall, and decrease as interest rates rise.

Junk Bond Risks — Junk bond risks include heightened risks that issuers may be unable to repay their obligations, the subordination of claims versus other debt holders if an issuer becomes bankrupt, and the lack of liquidity for certain junk bonds.

Leverage Risks — Leverage risks include the expenses associated with borrowing, increased volatility of Fund valuation and the possible need to liquidate Fund positions at inopportune times to pay borrowing expenses.

Liquidity Risks — Liquidity risks refer to the possibility that certain securities may be difficult or impossible to sell at the time that the seller would like or at the price that the seller believes the security is currently worth.

Market Risk and Selection Risk — Market risk is the risk that one or more markets in which a Fund invests may go down in value. Selection risk is the risk that the securities selected by Fund management may underperform the market or other securities selected by other funds. This means you may lose money.

Mortgage-Backed and Asset-Backed Securities Risks — Mortgage-backed and asset-backed securities risks include the risk that the principal on mortgage- or asset-backed securities may be prepaid at any time, which will reduce the yield and market value of these securities. In periods of falling interest rates, the rate of prepayments tends to increase (as does price fluctuation) as borrowers are motivated to pay off debt and refinance at new lower rates. During such periods, reinvestment of the prepayment proceeds by the management team will generally be at lower rates of return than the return on the assets which were prepaid. In addition, rising interest rates tend to extend the duration of mortgage-backed securities, making them more sensitive to changes in interest rates which may cause them to lose value. Asset-backed securities entail certain risks not presented by mortgage-backed securities, including the risk that in certain states it may be difficult to perfect the liens securing the collateral backing certain asset-backed securities. Certain asset-backed securities are based on loans that are unsecured, which means that there is no collateral to seize if the underlying borrower defaults

Non-Diversification Risk — The Fund is a non-diversified fund, which means that it may invest more of its assets in securities of a single issuer than may a diversified fund. Because the Fund may invest in a smaller number of issuers, the Fund is more exposed to developments affecting and the risks associated with individual issuers than a fund that invests more widely, which may have a greater impact on the Fund's performance.

Swap Agreements Risk — Swap agreements involve the risk that the party with whom a Fund has entered into the swap will default on its obligation to pay the Fund and the risk that a Fund will not be able to meet its obligations to pay the other party to the agreement.

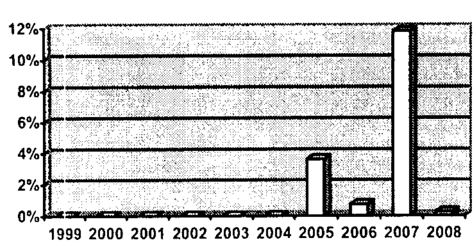
U.S. Government Issuer Risk — Treasury obligations may differ in their interest rates, maturities, times of issuance and other characteristics. Obligations of U.S. Government agencies and authorities are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. Government. No assurance can be given that the U.S. Government will provide financial support to its agencies and authorities if it is not obligated by law to do so.

Fees & Expenses.
(Based on the prospectus dated January 28, 2009)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.45%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	Since Inception
BlackRock Inflation Protected (6/28/04)	0.42%	n/a	5.58%
Barclays Global Real: U.S. TIPS Idx.	-2.35%	n/a	4.37%

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ING Global Real Estate Fund
(Class I Shares)

Investment Objective. The Fund seeks to provide investors with high total return, consisting of capital appreciation and current income. The Fund's investment objective is not fundamental and may be changed without a shareholder vote.

Primary Investment Strategies. Under normal market conditions, the Fund will invest at least 80% of its net assets (plus borrowings for investment purposes) in a portfolio of equity securities of companies that are principally engaged in the real estate industry. The Fund will provide shareholders with at least 60 days' prior notice of any change in this investment policy. In selecting investments for the Fund, the Sub-Adviser will select companies that derive at least 50% of their total revenues or earnings from owning, operating, developing and/or managing real estate. This portion of the portfolio will have investments located in a number of different countries, including the United States. As a general matter, the Fund expects these investments to be in common stocks of large-, mid- and small-sized companies, including real estate investment trusts ("REITs"). The Fund may invest in companies located in countries with emerging securities markets.

The Sub-Adviser uses a multi-step investment process for constructing the Fund's investment portfolio that combines top-down region and sector allocation with bottom-up individual stock selection.
• First, the Sub-Adviser selects sectors and geographic regions in which to invest, and determines the degree of representation of such sectors and regions, through a systematic evaluation of public and private property market trends and conditions.
• Second, the Sub-Adviser uses an in-house valuation process to identify investments with superior current income and growth potential relative to their peers. This in-house valuation process examines several factors including:
(i) value and property;
(ii) capital structure; and
(iii) management and strategy.

The Fund is non-diversified, which means it may invest a significant portion of its assets in a single issuer. The Fund may invest in convertible securities, initial public offerings and Rule 144A securities.

The Fund may invest in other investment companies to the extent permitted by the Investment Company Act of 1940, as amended, and the rules and regulations there under.

The Sub-Adviser may sell securities for a variety of reasons, such as to secure gains, limit losses, or redeploy assets into opportunities believed to be more promising, among others. The Fund also may lend portfolio securities on a short-term or long-term basis, up to 33.3% of its assets.

Primary Risks. You could lose money on an investment in the Fund. The Fund may be affected by the following risks, among others:

Concentration — because the Fund's investments are concentrated in one or more real estate industries, the value of the Fund may be subject to greater volatility than a fund with a portfolio that is less concentrated. If real estate securities as a group fall out of favor, the Fund could underperform funds that focus on other types of companies.

Convertible Securities – the value of convertible securities may fall when interest rates rise. Convertible securities with longer maturities tend to be more sensitive to changes in interest rates, usually making them more volatile than convertible securities with shorter maturities. The Fund could also lose money if the issuer of a convertible security is unable to meet its financial obligation or goes bankrupt.

Foreign Investing — foreign investments may be riskier than U.S. investments for many reasons, including: changes in currency exchange rates; unstable political, social and economic conditions; a lack of adequate or accurate company information; differences in the way securities markets operate; less secure foreign banks or securities depositories than those in the United States; less standardization of accounting standards and market regulations in certain foreign countries; and varying foreign controls on investments. Foreign investments may also be affected by administrative difficulties, such as delays in clearing and settling transactions. Additionally, securities of foreign companies may be denominated in foreign currencies. Exchange rate fluctuations may reduce or eliminate gains or create losses. Hedging strategies intended to reduce this risk may not perform as expected. These factors may make foreign investments more volatile and potentially less liquid than U.S. investments. To the extent the Fund invests in countries with emerging securities markets, the risk of foreign investing may be greater, as these countries may be less politically and economically stable than other countries. It may also be difficult to buy and sell securities in countries with emerging securities markets.

Initial Public Offerings ("IPOs") - IPOs and companies that have recently gone public have the potential to produce substantial gains for a Fund. However, there is no assurance that a Fund will have access to profitable IPOs or that IPOs in which the Fund invests will rise in value. Furthermore, stocks of newly public companies may decline shortly after the IPO. When the Fund's asset base is small, the impact of such investments on the Fund's return will be magnified. As the Fund's assets grow, it is likely that the effect of the Fund's investment in IPOs on the Fund's return will decline.

Liquidity - if a security is illiquid, the Fund might be unable to sell the security at a time when the Sub-Adviser might wish to sell, and the security could have the effect of decreasing the overall level of the Fund's liquidity. Further, the lack of an established secondary market may make it more difficult to value illiquid securities, which could vary from the amount the Fund could realize upon disposition. The Fund may make investments that become less liquid in response to market developments or adverse investor perception. The Fund could lose money if it cannot sell a security at the time and price that would be most beneficial to the Fund.

Market Trends — from time to time, the stock market may not favor the securities in which the Fund invests. Rather, the market could favor securities or industries to which the Fund is not exposed, or may not favor equities at all.

Non-Diversification — the Fund is classified as a "non-diversified" investment company under the Investment Company Act of 1940, as amended. If the Fund invests a relatively high percentage of its assets in obligations of a limited number of issuers, the Fund will be more at risk to any single corporate, economic, political or regulatory event that impacts one or more of those issuers. Conversely, even though classified as non-diversified, the Fund may actually maintain a portfolio that is diversified with a large number of issuers. In such an event, the Fund would benefit less from appreciation in a single corporate issuer than if it had greater exposure to that issuer.

Other Investment Companies — the main risk of investing in other investment companies is the risk that the value of the underlying securities might decrease. Because the Fund may invest in other investment companies, you will pay a proportionate share of the expenses of that other investment company (including management fees, administration fees and custodial fees) in addition to the expenses of the Fund.

Price Volatility — the value of the Fund changes as the prices of its investments go up or down. Equity securities face market, issuer and other risks, and their values may fluctuate, sometimes rapidly and unpredictably. Market risk is the risk that securities may decline in value due to factors affecting securities markets generally or particular industries. Issuer risk is the risk that the value of a security may decline for reasons relating to the issuer such as changes in the financial condition of the issuer. While equities may offer the potential for greater long-term growth than most debt securities, they generally have higher volatility. The Fund invests in securities of larger companies which sometimes have more stable prices than smaller companies. However, the Fund may also invest in securities of mid-sized and small-sized companies, which may be more susceptible to price volatility than larger companies because they typically have fewer financial resources, more limited product and market diversification, and may be dependent on a few key managers.

Real Estate — investments in issuers that are principally engaged in real estate, including REITs, may subject the Fund to risks similar to those associated with the direct ownership of real estate, including terrorist attacks, war or other acts that destroy real property (in addition to securities market risks). These companies are sensitive to factors such as changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and creditworthiness of the issuer. REITs may also be affected by tax and regulatory requirements.

Rule 144A Securities - Rule 144A securities are securities that are not registered, but which are bought and sold solely by institutional investors. The Fund may consider Rule 144A securities to be "liquid" although the market for such securities typically is less active than public securities markets and may lead to less ability to sell these securities.

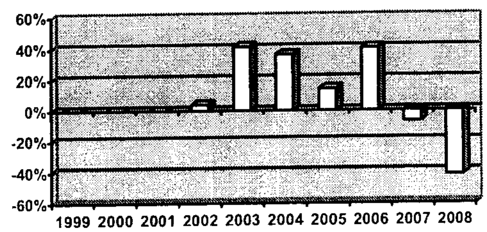
Securities Lending — there is the risk that when lending portfolio securities, the securities may not be available to the Fund on a timely basis and it may lose the opportunity to sell the securities at a desirable price. Engaging in securities lending could have a leveraging effect which may intensify the market risk, credit risk and other risks associated with investments in the Fund.

Fees & Expenses.
(Based on the prospectus dated February 27, 2009)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	1.01%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	Since Inception
ING Global Real Estate (6/03/05)	-41.29%	-----	-3.28%
S&P/Citigroup World Property Index	-47.61%	1.34%	------

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T. Rowe Price Balanced Fund
(Investor Shares)

Investment Objective. The Fund seeks to provide capital growth, current income, and preservation of capital through a portfolio of stocks and fixed-income securities.

Primary Investment Strategies. We normally invest approximately 60% of total assets in U.S. and foreign common stocks and 40% in fixed-income securities. We will invest at least 25% of total assets in senor fixed-income securities.

When deciding upon asset allocations, the manager may favor fixed-income securities if the economy is expected to slow sufficiently to hurt corporate profit growth. When strong economic growth is expected, managers may favor stocks. When selecting particular stocks to purchase, the manager will examine relative values and prospects among growth- and value-oriented stocks, domestic and international stocks, and small- and large-cap stocks. Domestic stocks are drawn from the overall U.S. market, while international equities are selected primarily from large companies in developed countries. This process draws heavily upon T. Rowe Price's proprietary stock research expertise.

Much the same security selection process applies to bonds. For example, when deciding on whether to adjust allocations to high-yield (junk) bonds, the manager will weigh such factors as the outlook for the economy and corporate earnings and the yield advantage lower-rated bonds offer over investment-grade bonds. The fund will invest in bonds that are primarily investment grade (top four credit ratings) and are chosen from across the entire government, corporate, and mortgage-backed bond market. Maturities will reflect the manager's outlook for interest rates.

In pursuing its investment objective, the fund's management has discretion to purchase some securities that do not meet its normal investment criteria, as described above, when it perceives and unusual opportunity for gain. These special situations might arise when the fund's management believes a security could increase in value for a variety of reasons, including a change in management, an extraordinary corporate event, or a temporary imbalance in the supply of or demand for the securities.

In keeping with the fund's objective, it may also invest in other securities including futures, options, and swaps.

Securities may be sold for a variety of reasons, such as to effect a change in asset allocation, secure a gain, limit a loss, or redeploy assets into more promising opportunities.

Certain investment restrictions, such as a required minimum or maximum investment in a particular type of security, are measured at the time the fund purchases a security. The status, market value, maturity, credit quality, or other characteristics of the fund's securities may change after they are purchased, and this may cause the amount of the fund assets invested in such securities to exceed the stated maximum restriction or fall below the stated minimum restriction. If any of these changes occur, it would not be considered a violation of the investment restriction. However purchases by the fund during the time it is above or below the stated percentage restriction would be made in compliance with applicable restrictions.

Primary Risks. The fund's program of investing in stocks, bonds, and money market securities exposes it to a variety of risks. Each of these risks is proportional to the percentage of assets the fund has in these securities. The risks include:

Risks of stock investing - Stock prices can fall because of weakness in the broad market, a particular industry, or specific holdings. The market as a whole can decline for many reasons, including adverse political or economic developments here or abroad, changes in investor psychology, or heavy institutional selling. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. In addition, our assessment of companies held in the fund may prove incorrect, resulting in losses or poor performance even in a rising market. Finally, a fund's investment approach could fall out of favor with the investing public, resulting in lagging performance as compared with our types of funds.

Equity investors should have a long-term investment horizon and be willing to wait our bear markets.

Risks of bond investing - Bonds have two main sources of risk. *Interest rate risk* is the decline in bond prices that usually accompanies a rise in interest rates. Longer-maturity bonds typically suffer greater declines than those with shorter maturities. If the fund purchases longer-maturity bonds and interest rates rise unexpectedly, its share price could decline. Mortgage securities can react some-what differently from regular bonds to interest rate changes. Falling rates can cause losses of principal due to increased mortgage prepayments. Rising rates can lead to decreased prepayments and greater volatility. *Credit risk* is the chance that any fund holding could have its credit rating downgraded or that a bond issuer will default (fail to make timely payments of interest or principal), potentially reducing the fund's income level and share price. While the fund expects to invest primarily in investment-grade bonds, it may also hold high-yield (junk) bonds, including those with the lowest rating. Investment-grade bonds are those rated from the highest (AAA) to medium (BBB) quality, and high-yield bonds are rated BB and lower. The latter are speculative since their issuers are more vulnerable to financial setbacks and recession than more credit worthy companies, but BBB rated bonds may have speculative elements as well. High-yield bond issuers include small companies lacking the history or capital to merit investment-grade status, former blue chip companies downgraded because of financial problems, and firms with heavy debt loads.

Risks of foreign securities - To the extent the fund invests in foreign stocks and bonds, it is also subject to the special risks associated with such investments, whether denominated in U.S. dollars or foreign currencies. These risks include potentially adverse political and economic developments overseas, greater volatility, less liquidity, and the possibility that foreign currencies will decline against the dollar, lowering the value of securities denominated in those currencies. To the extent that the fund invests in emerging markets, it is subject to greater risk than funds investing only in developed markets. The economic and political structures of developing nations, in most cases, do not compare favorably with the U.S. or other developed countries in terms of wealth and stability, and their financial markets often lack liquidity.

Derivative risk - To the extent the fund uses futures, swaps, and other derivatives; it is exposed to additional volatility and potential losses.

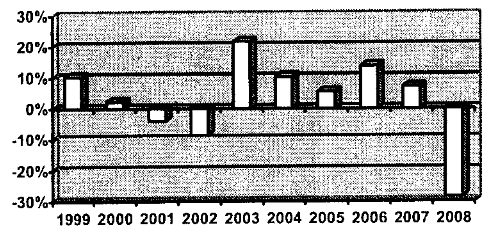
As with any mutual fund, there can be no guarantee the fund will achieve its objective. The fund's share price may decline, so when you sell your shares, you may lose money.

Fees & Expenses.
(Based on the prospectus dated May 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.66%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
T. Rowe Price Balanced	-28.43%	0.31%	2.02%
Lipper Balanced Fund Index	-26.18%	0.12%	1.53%

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American Century Equity Growth Fund
(Institutional Shares)

Investment Objective. The Fund seeks long term capital growth by investing in common stocks.

Primary Investment Strategies. The fund invests primarily in large capitalization, publicly traded U.S. companies. The fund considers large capitalization companies to be those with a market capitalization greater than $2 billion.

To select stocks for purchase, the portfolio managers use quantitative management techniques in a two-step process. In the first step, the portfolio managers rank stocks from most attractive to least attractive. This is determined by using a quantitative model that combines measures of a stock's value, as well as measures of its growth potential. To measure value, the managers use ratios of stock price-to-book value and stock price-to-cash flow, among others. To measure growth, the managers use the rate of growth of a company's earnings and changes in its earnings estimates, as well as other factors.

In the second step, the managers use a technique called portfolio optimization. In portfolio optimization, the managers use a computer to build a portfolio of stocks from the ranking described above that they believe will provide the optimal balance between risk and expected return. The goal is to create a fund that provides better returns than its benchmark, the S&P 500 Index, without taking on significant additional risk. The portfolio managers do not consider dividend yield when building the fund's portfolio.

The portfolio managers generally sell stocks from the fund's portfolio when they believe:

- a stock becomes too expensive relative to other stock opportunities;
- a stock's risk parameters outweigh its return opportunity; or
- specific events alter a stock's prospects.

The portfolio managers do not attempt to time the market. Instead, under normal market conditions, they will invest at least 80% of the fund's assets in equity securities regardless of the movement of stock prices generally. The fund may change this 80% policy only upon 60 days' prior written notice to shareholders. When the managers believe it is prudent, the fund may invest a portion of its assets in foreign securities and debt securities. The fund limits its purchase of debt securities to investment-grade obligations. Futures contracts, a type of derivative security, can help the fund's cash assets remain liquid while performing more like stocks. The fund has a policy governing futures contracts and similar derivative securities to help manage the risk of these types of investments. A complete description of the derivatives policy is included in the statement of additional information.

Primary Risks. The Fund's principal risks include:

Style Risk – If at any time the market is not favoring the fund's quantitative investment style, the fund's gains may not be as big as, or its losses may be bigger than, other equity funds using different investment styles.

Benchmark Correlation – The fund's performance will be tied to the performance of its benchmark, the S&P 500 Index. If the fund's benchmark goes down, it is likely that the fund's performance will go down.

Market Risk – The value of the fund's shares will go up and down based on the performance of the companies whose securities it owns and other factors generally affecting the securities market.

Price Volatility – The value of the fund's shares may fluctuate significantly in the short term.

Principal Loss - At any given time your shares may be worth less than the price you paid for them. In other words, it is possible to lose money by investing in the fund.

Market performance tends to be cyclical, and, in the various cycles, certain investment styles may fall in or out of favor. If the market is not favoring the quantitative style used by the fund and/or the stock contained in the fund's benchmark, the fund's gains may not be as big as, or its losses may be bigger than, other equity funds using different investment styles.

The fund's performance will be tied to the performance of its benchmark. If the fund's benchmark goes down, it is likely that the fund's performance will go down.

The value of the fund's shares depends on the value of the stock and other securities it owns. The value of the individual securities the fund owns will go up and down depending on the performance of the companies that issued them, general market and economic conditions, and investor confidence.

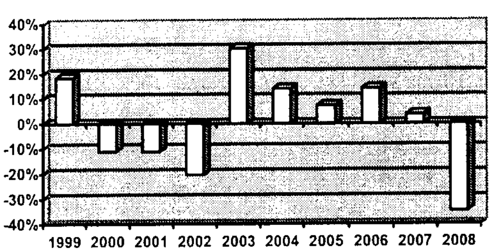
The value of the fund's shares may fluctuate significantly in the short term. At any given time your shares may be worth less than the price you paid for them. In other words, it is possible to lose money by investing in the fund.

Fees & Expenses.
(Based on the prospectus dated November 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.47%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
American Century Equity Growth	-34.60%	-0.99%	-0.65%
S&P 500 Index	-37.00%	-2.19%	-1.38%

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T. Rowe Price Instl. Large Cap Growth Fund
(Institutional Shares)

Investment Objective. The Fund seeks to provide long-term capital appreciation through investments in common stocks of growth companies.

Primary Investment Strategies. In taking a growth approach to investment selection, the fund will normally invest at least 80% of net assets in the common stocks of large companies. A large company is defined as one whose market cap is larger than the median market cap of companies in the Russell 1000 Growth Index, a widely used benchmark of the largest domestic growth stocks (the median market cap as of December 31, 2007, was $5,858 million, and is subject to change). The market capitalization of the companies in the fund's portfolio and the Russell index changes over time; the fund will not automatically sell or cease to purchase stock of a company it already owns just because the company's market capitalization falls below this level. We generally look for companies with an above-average rate of earnings and cash flow growth and a lucrative niche in the economy that gives them the ability to sustain earnings momentum even during times of slow economic growth. As growth investors, we believe that when a company increases its earnings faster than both inflation and overall economy, the market will eventually reward it with a higher stock price.

In pursuing its investment objective, the fund's management has the discretion to purchase some securities that do not meet its normal investment criteria, as described above, when it perceives an unusual opportunity for gain. These special situations might arise when the fund's management believes a security could increase in value for a variety of reasons, including a change in management, an extraordinary corporate event, or a temporary imbalance in the supply of or demand for the securities.

While most assets will be invested in U.S. common stocks, other securities may also be purchased, including foreign stocks, futures, and options, in keeping with fund objectives.

The fund may sell securities for a variety of reasons, such as to secure gains, limit losses, or redeploy assets into more promising opportunities.

Certain investment restrictions, such as a required minimum and maximum investment in a particular type of security, are measured at the time the fund purchases a security. The status, market value, maturity, credit quality, or other characteristics of the fund's securities may change after they are purchased, and this may cause the amount of the fund's assets invested in such securities to exceed the stated maximum restrictions or fall below the stated minimum restriction. If any of these changes occur, it would not be considered a violation of the investment restriction. However, purchases by the fund during the time it is above or below the stated percentage restriction would be made in compliance with applicable restrictions.

Primary Risks. Growth stocks can be volatile for several reasons. Since these companies usually invest a high portion of earnings in their business, they may lack the dividends of value stocks that can cushion stock prices in a falling market. Also, earnings disappointments often lead to sharply falling prices because investors buy growth stocks in anticipation of superior earnings growth.

There is additional risk with this fund because it is non-diversified and thus can invest more of its assets in a smaller number of companies. Thus, for example, poor performance by a single large holding of the fund would adversely affect fund performance more than if the fund held a larger number of companies.

As with all equity funds, this fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The market as a whole can decline for many reasons, including adverse political or economic developments here or abroad, changes in investor psychology, or heavy institutional selling. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. In addition, our assessment of companies held in the fund may prove incorrect, resulting in losses or poor performance even in a rising market. Finally, the fund's investment approach could fall out of favor with the investing public, resulting in lagging performance versus other types of stock funds.

Foreign stock holdings may lose value because of foreign currencies or adverse political or economic events overseas. Investments in futures and options, if any, are subject to additional volatility and potential losses.

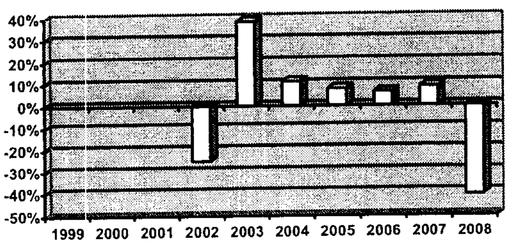
As with any mutual fund, there can be no guarantee the fund will achieve its objective.

The fund's share price may decline. Loss of money is a risk of investing in the fund. Equity investors should have a long-term investment horizon and be willing to wait out bear markets.

Fees & Expenses. (Based on the prospectus dated May 1, 2008)	
Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.58%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	Since Inception
T. Rowe Price Instl. Lg-Cap Growth (10/31/01)	-40.86%	-3.95%	-0.44%
Russell 1000 Growth Index	-38.44%	-3.42%	-----

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American Century Growth Fund
(Institutional Shares)

Investment Objective. The Fund seeks long-term capital growth.

Primary Investment Strategies. The portfolio managers look for stocks of larger-sized companies they believe will increase in value over time. In implementing this strategy, the portfolio managers use a bottom-up approach to stock selection. This means that the portfolio managers make their investment decisions based primarily on their analysis of individual companies, rather than on broad economic forecasts. Management of the fund is based on the belief that, over the long term, stock price movements follow growth in earnings, revenues and/or cash flow.

The portfolio managers track financial information for individual companies to identify and evaluate trends in earnings, revenues and other business fundamentals. Under normal market conditions, the fund's portfolio will primarily consist of securities of companies demonstrating business improvement. Analytical indicators helping to identify signs of business improvement could include accelerating earnings or revenue growth rates, increasing cash flows, or other indications of the relative strength of a company's business. These techniques help the portfolio managers buy or hold the stocks of companies they believe have favorable growth prospects and sell the stocks of companies whose characteristics no longer meet their criteria.

Although the portfolio managers intend to invest the fund's assets primarily in U.S. stocks, the fund may invest in securities of foreign companies, including companies located in emerging markets. Investments in foreign securities present some unique risks that are more fully described in the fund's statement of additional information.

The portfolio managers do not attempt to time the market. Instead, under normal market conditions, they intend to keep the fund essentially fully invested in stocks regardless of the movement of stock prices generally. When the managers believe it is prudent, the fund may invest a portion of its assets in debt securities, options, preferred stock and equity-equivalent securities, such as convertible securities, stock futures contracts or stock index futures contracts. The fund generally limits its purchase of debt securities to investment-grade obligations. Futures contracts, a type of derivative security, can help the fund's cash assets remain liquid while performing more like stocks. The fund has a policy governing futures contracts and similar derivative securities to help manage the risk of these types of investments. A complete description of the derivatives policy is included in the statement of additional information.

In the event of exceptional market or economic conditions, the fund may, as a temporary defensive measure, invest all or a substantial portion of its assets in cash, cash-equivalent securities or short-term debt securities. To the extent the fund assumes a defensive position it will not be pursuing its objective of long-term capital growth.

Primary Risks. The Fund's principal risks include:

Growth Stocks – Investments in growth stocks may involve special risks and their prices may fluctuate more dramatically than the overall stock market.

Foreign Securities - The fund may invest in foreign securities, which can be riskier than investing in U.S. securities.

Market Risk - The value of the fund's shares will go up and down based on the performance of the companies whose securities it owns and other factors generally affecting the securities market.

Price Volatility – The value of the fund's shares may fluctuate significantly in the short term.

High Turnover – The fund's *portfolio turnover* may be high. This could result in relatively high commission costs, which could hurt the fund's performance and capital gains tax liabilities for the fund's shareholders.

Portfolio turnover is the measure of how frequently a fund buys and sells portfolio securities.

Principal Loss - At any given time your shares may be worth less than the price you paid for them. In other words, it is possible to lose money by investing in the fund.

Growth stocks are typically priced higher than other stocks, in relation to earnings and other measures, because investors believe they have more growth potential. This potential may or may not be realized and growth stock prices tend to fluctuate more dramatically than the overall stock market. The portfolio managers may buy a large amount of a company's stock quickly, and often will dispose of it quickly if the company's earnings or revenues decline. While the portfolio managers believe this strategy provides substantial appreciation potential over the long term, in the short term it can create a significant amount of share price volatility. This volatility can be greater than that of the average stock fund.

Although the portfolio managers intend to invest the fund's assets primarily in U.S. stocks, the fund may invest in securities of foreign companies. Foreign investment involves additional risks, including fluctuations in currency exchange rates, less stable political and economic structures, reduced availability of public information, and lack of uniform financial reporting and regulatory practices similar to those that apply in the United States. These factors make investing in foreign securities generally riskier than investing in U.S. stocks. To the extent the fund invests in foreign securities, the overall risk of that fund could be affected.

Market performance tends to be cyclical, and, in the various cycles, certain investment styles may fall in and out of favor. If the market is not favoring the fund's style, the fund's gains may not be as big as, or its losses may be bigger than, other equity funds using different investment styles.

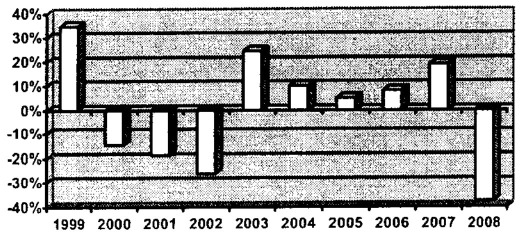
The value of the fund's shares depends on the value of the stocks and other securities it owns. The value of the individual securities the fund owns will go up and down depending on the performance of the companies that issued them, general market and economic conditions, and investor confidence.

Fees & Expenses. (Based on the prospectus dated March 1, 2009)	
Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.80%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows

the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
American Century Growth	-37.74%	-1.47%	-2.13%
Russell 1000 Growth Index	-38.44%	-3.42%	-4.27%

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American Century Value Fund
(Institutional Shares)

Investment Objective. The Fund seeks long-term capital growth. Income is a secondary objective.

Primary Investment Strategies. In selecting stocks for the fund, the portfolio managers look for companies of all sizes whose stock price may not reflect the company's value. The managers attempt to purchase the stocks of these undervalued companies and hold each stock until the price has increased to, or is higher than, a level the managers believe more accurately reflects the fair value of the company.

The portfolio managers look for stocks of companies of all sizes that they believe are undervalued at the time of purchase. The managers use a value investment strategy that looks for companies that are temporarily out of favor in the market. The managers attempt to purchase the stocks of these undervalued companies and hold each stock until it has returned to favor in the market and the price has increased to, or is higher than, a level the managers believe more accurately reflects the fair value of the company. Companies may be undervalued due to market declines, poor economic conditions, actual or anticipated bad news regarding the issuer or its industry, or because they have been overlooked by the market. To identify these companies, the portfolio managers look for companies with earnings, cash flows and/or assets that may not be reflected accurately in the companies' stock prices or may be outside the companies' historical ranges. The managers also may consider whether the companies' securities have a favorable income-paying history and whether income payments are expected to continue or increase. Since the fund invests in companies of all sizes on an ongoing basis, it may be best characterized as a multi-capitalization value fund.

The portfolio managers may sell stocks from the fund's portfolio if they believe:

- a stock no longer meets their valuation criteria;
- a stock's risk parameters outweigh its return opportunity;
- more attractive alternatives are identified; or
- specific events alter a stock's prospects.

The portfolio managers do not attempt to time the market. Instead, under normal market conditions, they intend to keep the fund's assets invested primarily in U.S. ***equity securities*** at all times regardless of the movement of stock prices generally.

Equity securities include common stock, preferred stock, and equity-equivalent securities, such as convertible securities, stock futures contracts or stock index futures contracts.

Futures contracts, a type of derivative security, can help the fund's cash assets remain liquid while performing more like stocks. The fund has a policy governing futures contracts and similar derivative securities to help manage the risk of these types of investments. A complete description of the derivatives policy is included in the statement of additional information.

When the managers believe it is prudent, the fund may invest a portion of its assets in foreign securities, options, debt securities of companies, debt obligations of governments and their agencies and other similar securities.

In the event of exceptional market or economic conditions, the fund may, as a temporary defensive measure, invest all or a substantial portion of its assets in cash, cash equivalent securities or short-term debt securities. To the extent the fund assumes a defensive position; it will not be pursuing its objective of capital growth.

A description of the policies and procedures with respect to the disclosure of the fund's portfolio securities is available in the statement of additional information.

Primary Risks. The Fund's principal risks include:

Multi-Cap Investing - The fund is a multi-capitalization fund that invests in companies of all sizes. The small and medium-sized companies in which the fund invests may present greater opportunities for capital growth than larger companies, but may be more volatile and subject to greater risk.

Style Risk – If the market does not consider the individual stocks purchased by the fund to be undervalued, the value of the fund's share may decline, even if stock prices generally are rising.

Foreign Securities - The fund may invest in foreign securities, which may be riskier than investing in U.S. securities.

Market Risk – The value of the fund's shares will go up and down based on the performance of the companies whose securities it owns and other factors generally affecting the securities market.

Price Volatility – The value of the fund's shares may fluctuate significantly in the short term.

Principal Loss – At any given time your shares may be worth less than the price you paid for them. In other words, it is possible to lose money by investing in the fund.

The fund may invest in medium-sized and smaller companies, which may be more volatile and subject to greater short-term risk than larger companies. Smaller companies may have limited financial resources, product lines and markets, and their securities may trade less frequently and in more limited volumes than the securities of larger companies. In addition, smaller companies may have less publicly available information.

Market performance tends to be cyclical, and, in the various cycles, certain investment styles may fall in and out of favor. If the market is not favoring a fund's style, the fund's gains may not be as big as, or its losses may be bigger than, other equity funds using different investment styles. Although the portfolio managers intend to invest the fund's assets primarily in U.S. stocks, the fund may invest in securities of foreign companies. Foreign investment involves additional risks, including fluctuations in currency exchange rates, less stable political and economic structures, reduced availability of public information, and lack of uniform financial reporting and regulatory practices similar to those that apply in the United States. These factors make investing in foreign securities generally riskier than investing in U.S. stocks.

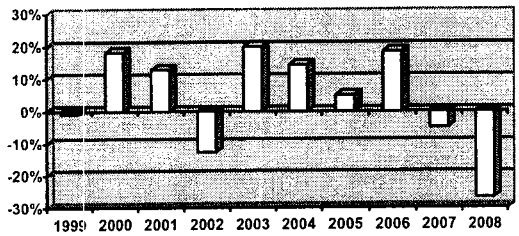
The value of the fund's shares depends on the value of the stocks and other securities it owns. The value of the individual securities the fund owns will go up and down depending on the performance of the companies that issued them, general market and economic conditions, and investor confidence.

Fees & Expenses.
(Based on the prospectus dated August 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.80%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
American Century Value	-26.67%	-0.06%	4.17%
Lipper MultiCap Value Index	-37.65%	-2.47%	1.28%

*****

American Century Vista Fund

(Institutional Shares)

Investment Objective. The Fund seeks long-term capital growth.

Primary Investment Strategies. The portfolio managers primarily look for stocks of medium-sized and smaller companies they believe will increase in value over time, using an investment strategy developed by American Century. In implementing this strategy, the portfolio managers use a bottom-up approach to stock selection. This means that the managers make their investment decisions based primarily on their analysis of individual companies, rather than on broad economic forecasts. Management of the fund is based on the belief that, over the long term, stock price movements follow growth in earnings and revenues.

Using American Century Investments' extensive computer database, as well as other primary analytical research tools, the portfolio managers track financial information for thousands of individual companies to identify and evaluate trends in earnings, revenues and other business fundamentals. The portfolio managers' principal analytical technique involves the identification of companies with earnings and revenues that are not only growing, but growing at an accelerating pace. This includes companies whose growth rates, although still negative, are less negative than prior periods, and companies whose growth rates are expected to accelerate. In addition to accelerating growth, the fund also considers companies demonstrating price strength relative to their peers. These techniques help the portfolio managers buy or hold the stocks of companies they believe have favorable growth prospects and sell the stocks of companies whose characteristics no longer meet their criteria.

The fund will usually purchase common stocks of companies that are medium-sized and smaller at the time of purchase, but it can purchase other types of securities as well. When determining the size of a company, the portfolio managers will consider, among other factors, the capitalization of the company and the amount of revenues as well as other information they obtain about the company.

Although the portfolio managers intend to invest the fund's assets primarily in U.S. stocks, the fund may invest in securities of foreign companies, including companies located in emerging markets. Investments in foreign securities present some unique risks that are more fully described in the fund's statement of additional information.

The portfolio managers do not attempt to time the market. Instead, under normal market conditions, they intend to keep the fund essentially fully invested in stocks regardless of the movement of stock prices generally. When the portfolio managers believe it is prudent, the fund may invest a portion of its assets in debt securities, options, preferred stock and equity-equivalent securities, such as convertible securities, stock futures contracts or stock index futures contracts. The fund generally limits its purchase of debt securities to investment-grade obligations. Futures contracts, a type of derivative security, can help the fund's cash assets remain liquid while performing more like stocks. The fund has a policy governing futures contracts and similar derivative securities to help manage the risk of these types of investments. A complete description of the derivatives policy is included in the statement of additional information.

In the event of exceptional market or economic conditions, the fund may, as a temporary defensive measure, invest all or a substantial portion of its assets in cash, cash-equivalent securities or short-term debt securities. To the extent the fund assumes a defensive position it will not be pursuing its objective of long-term capital growth.

A description of the policies and procedures with respect to the disclosure of the fund's portfolio securities is available in the statement of additional information.

Primary Risks. The Fund's principal risks include:

Growth Stocks - Investments in growth stocks may involve special risks and their prices may fluctuate more dramatically than the overall stock market.

Mid Cap Stocks - The fund invests in mid-sized and smaller companies which may present greater opportunities for capital growth than larger companies, but may be more volatile and subject to greater risk.

Foreign Securities - The fund may invest in foreign securities, which can be riskier than investing in U.S. securities.

Market Risk - The value of the fund's shares will go up and down based on the performance of the companies whose securities it owns and other factors generally affecting the securities market.

Price Volatility - The value of the fund's shares may fluctuate significantly in the short term.

High Turnover - The fund's ***portfolio turnover*** may be high. This could result in relatively high commission costs, which could hurt the fund's performance and capital gains tax liabilities for the fund's shareholders.

> ***Portfolio turnover*** *is a measure of how frequently a fund buys and sells portfolio securities.*

Principal Loss - At any given time your shares may be worth less than the price you paid for them. In other words, it is possible to lose money by investing in the fund.

Growth stocks are typically priced higher than other stocks, in relation to earnings and other measures, because investors believe they have more growth potential. This potential may or may not be realized and growth stock prices tend to fluctuate more dramatically than the overall stock market.

The fund generally invests in mid-size and smaller companies, which may be more volatile and subject to greater short-term risk. Smaller companies may have limited financial resources, product lines and markets, and their securities may trade less frequently and in more limited volumes than securities of larger companies. In addition, smaller companies may have less publicly available information.

The portfolio managers may buy a large amount of a company's stock quickly, and often will dispose of it quickly if the company's earnings or revenues decline. While the portfolio managers believe this strategy provides substantial appreciation potential over the long term, in the short term it can create a significant amount of share price volatility. This volatility can be greater than that of the average stock fund.

Although the portfolio managers intend to invest the fund's assets primarily in U.S. stocks, the fund may invest in securities of foreign companies. Foreign investment involves additional risks, including fluctuations in currency exchange rates, less stable political and economic structures, reduced availability of public information, and lack of uniform financial reporting and regulatory practices similar to those that apply in the United States. These factors make investing in foreign securities generally riskier than investing in U.S. stocks. To the extent the fund invests in foreign securities, the overall risk of that fund could be affected.

Market performance tends to be cyclical, and, in the various cycles, certain investment styles may fall in and out of favor. If the market is not favoring the fund's style, the fund's gains may not be as big as, or its losses may be bigger than, other equity funds using different investment styles.

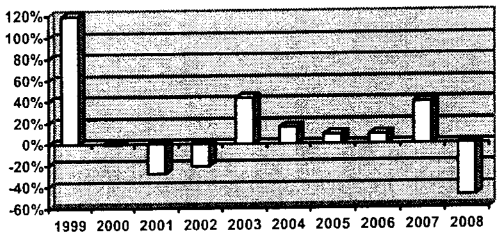
The value of the fund's shares depends on the value of the stocks and other securities it owns. The value of the individual securities the fund owns will go up and down depending on the performance of the companies that issued them, general market and economic conditions, and investor confidence.

Fees & Expenses.
(Based on the prospectus dated March 1, 2009)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.80%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
American Century Vista	-48.57%	-0.23%	5.87%
Russell Midcap Growth Index	-44.32%	-2.33%	-0.19%

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DFA U.S. Large Cap Value Portfolio
(Institutional Shares)

Investment Objective. To achieve long-term capital appreciation.

Investment Strategy. The U.S. Large Cap Value Portfolio buys shares of a Master Fund that purchases value stocks of U.S. companies using a market capitalization weighted approach. The U.S. Large Cap Value Portfolio generally will purchase a broad and diverse group of the common stocks of large cap companies traded on a principal U.S. exchange or the over-the-counter market that the Advisor determines to be value stocks. For the purposes of the Large Cap Value Portfolio the Advisor considers large cap companies to be companies whose market capitalizations are generally in the highest 90% of total market capitalization or companies whose market capitalizations are larger than the 1,000th largest U.S. company, whichever results in a higher market capitalization break. Total market capitalization is based on the market capitalization of U.S. operating companies listed on the NYSE, NYSE Alternext, Nasdaq and such other U.S. national securities exchanges deemed appropriate by the Advisor. Under the Advisor's market capitalization guidelines described above, as of December 31, 2008 the market capitalization of a large cap company was defined by the 90% market capitalization guideline to be $1,737 million, or above. This dollar amount will change due to market conditions. As a non-fundamental policy, under normal circumstances, The Large Cap Value Portfolio will invest at least 80% of its net assets in securities of large cap U.S. companies. If the Large Cap Value Portfolio changes this investment policy, U.S. Large Cap Value Portfolio will notify shareholders at least 60 days before the change, and will change the name of the Portfolio.

Primary Risks. Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer specific events will cause the value of securities, and the Portfolio that owns them, to rise or fall. Because the value of your investment in the Portfolio will fluctuate, there is a risk that you will lose money.

Derivatives are securities, such as futures contracts, whose value is derived from that of other securities or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will work. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains.

The Fund may lend its portfolio securities to generate additional income. Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the Fund may lose money and there may be a delay in recovering the loaned securities. The Fund may also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral.

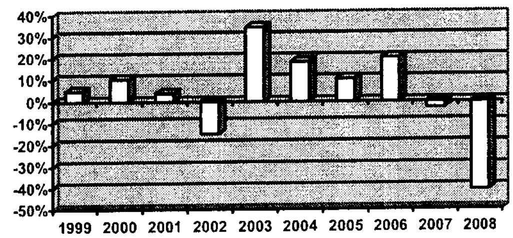
Securities lending may have certain potential adverse tax consequences.

Fees & Expenses.
(Based on the prospectus dated February 28, 2009)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.28%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
DFA US Large Cap Value	-40.80%	-2.05%	2.15%
Russell 1000 Value Index	-36.85%	-0.80%	1.36%

*****

Eaton Vance Large-Cap Value Fund
(Institutional Shares)

Investment Objective. The Fund seeks total return.

Primary Investment Strategies. The Fund invests primarily in value stocks of large-cap companies. Value stocks are common stocks that, in the opinion of the investment adviser, are inexpensive or undervalued relative to the overall stock market. The portfolio manager generally considers large-cap companies to be those companies having market capitalizations equal to or greater than the median capitalization of companies included in the Russell 1000 Value Index. The fund normally invests at least 80% of its net assets in equity securities of large-cap companies. The Fund primarily invests in dividend-paying stocks. If Fund (and class) expenses exceed income, Fund shareholders will not receive income distributions. The Fund may invest in convertible debt securities (including securities rated below investment grade). The Fund may also invest in real estate investment trusts for income.

Primary Risks. The value of Fund shares is sensitive to stock market volatility. If there is a general decline in the value of U.S. stocks, the value of the Funds shares will also likely decline. Changes in stock market values can be sudden and unpredictable. Also, although stock values can rebound, there is no assurance that values will return to previous levels. Because the Fund may invest a portion of its assets in foreign securities, the value of Fund shares may be affected by changes in currency exchange rates and developments abroad. The use of derivative transactions is subject to certain limitations and may expose a Fund to increased risk of principal loss due to imperfect correlation, failure of the counterparty or unexpected price or market movements.

Because the Large-Cap Value Fund may invest in fixed-income securities, the value of Fund shares may be sensitive to increases in prevailing interest rates and the creditworthiness of issuers. Fixed-income securities rated below investment grade may have speculative characteristics. Also, changes in economic conditions or other circumstances are more likely to reduce the capacity of issuers of lower rated securities to make principal and interest payments. Lower rated securities also may be subject to greater price volatility than higher rated obligations.

Value stocks held by the Large-Cap Value Fund may be undervalued in relation to the overall market due to adverse economic conditions or other near-term difficulties that cause them not to achieve their expected financial potential. Undervaluation may also arise because companies are misunderstood by investors or because they are out of step with favored market themes. Value stocks may not achieve their expected financial potential.

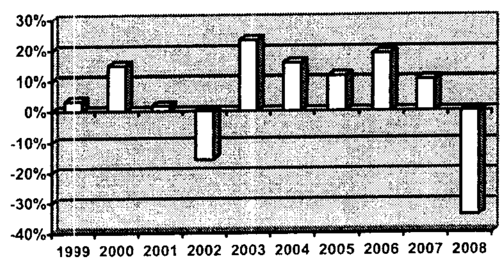
No Fund is a complete investment program and you may lose money by investing. There is no guarantee that the Fund will be able to achieve its investment objective. An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shareholders may realize substantial losses and should invest for the long term.

Fees & Expenses.
(Based on the prospectus dated May 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.73%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
Eaton Vance Large-Cap Value	-34.22%	2.18%	3.39%
Russell 1000 Value Index	-36.85%	-0.79%	1.36%

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Delaware Small Cap Core Fund
(Institutional Shares)

Investment Objective. The Fund seeks long-term capital appreciation. Although the Fund will strive to meet its goal, there is no assurance that it will.

Primary Investment Strategies. We invest primarily in stocks of small companies that we believe have a combination of attractive valuations, growth prospects, and strong cash flows. Under normal conditions, at least 80% of the Fund's net assets will be invested in small-cap companies (the 80% policy). The Fund considers a company to be "small-cap" if its market capitalization is within a range greater than the lower capitalization threshold of the Russell 2000 Index up to a market capitalization of $3 billion. The Fund's 80% policy can be changed without shareholder approval. However, shareholders would be given notice at least 60 days prior to such change.

Primary Risks. Investing in any mutual fund involves risk, including the risk that you may lose part or all of the money you invest. Over time, the value of your investment in the Fund will increase and decrease according to changes in the value of the securities in the Fund's portfolio.

This Fund will be affected by declines in stock prices. The smaller companies that the Fund may invest in may involve greater risk than other companies due to their size, narrower lines of products and services, limited financial resources, and greater sensitivity to economic conditions. Stocks of smaller companies may experience volatile trading and price fluctuations, especially in the short term. In addition, the Fund may have large investments in particular industries at any given time (although never more than 25% of its assets at the time of purchase), a strategy that may increase volatility.

An investment in the Fund is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

For a more complete discussion of risk, please see the Funds prospectus.

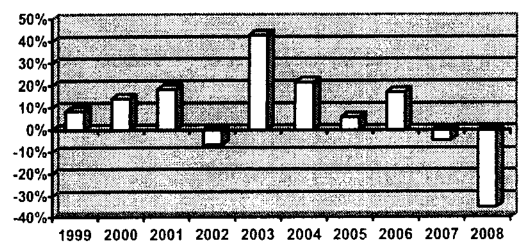
You should keep in mind that an investment in the Fund is not a complete investment program; it should be considered just one part of your total financial plan. Be sure to discuss this Fund with your financial advisor to determine whether it is an appropriate choice for you.

Fees & Expenses.
(Based on the prospectus dated March 28, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	1.10%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
Delaware Small Cap Core	-35.07%	-1.46%	6.07%
Russell 2000 Index	-33.79%	-0.93%	3.02%

*****

Northern Small Cap Value Fund

Investment Objective. The Fund seeks to provide long-term capital appreciation. Any income received is incidental to this objective.

Primary Investment Strategies. In seeking long-term capital appreciation, the Fund will invest, under normal circumstances, at least 80% of its net assets in equity securities of small capitalization companies. Small capitalization companies generally are considered to be those whose market capitalization is, at the time the Fund makes an investment, within the range of the market capitalization of companies in the Russell 2000 Value Index. Companies whose capitalization no longer meets this definition after purchase may continue to be considered small capitalization companies. As of June 30, 2008, the market capitalization of the companies in the Russell 2000 Value Index was between $56 million and $3.88 billion. The size of companies in the Russell 2000 Value Index changes with market conditions. In addition, changes to the composition of the Russell 2000 Value Index can change the market capitalization range of companies in the Russell 2000 Value Index. The Fund is not limited to the stocks included in the Russell 2000 Value Index and may invest in other stocks that meet the Investment Adviser's criteria discussed below.

Using quantitative analysis (evaluation and analysis of financial data), the investment management team buys small capitalization stocks of companies believed to be worth more than is indicated by current market prices. Similarly, the management team normally will sell a security that it believes has achieved its full valuation, is not attractively priced or for other reasons. The team also may sell securities in order to maintain the desired portfolio characteristics of the Fund. In determining whether a stock is attractively priced, the Fund employs a strategy that uses statistics and other methods to determine which fundamental and quantifiable stock or firm characteristics (such as relative valuation, price momentum and earnings quality) are predictive of future stock performance. The characteristics are combined to create a proprietary multi-factor quantitative stock selection model that generates stock specific forecasts that are used along with risk controls to determine security weightings.

Although the Fund primarily invests in the securities of U.S. issuers, it may invest to a limited extent in the securities of foreign issuers.

The Fund, from time to time, may emphasize particular companies or market segments in attempting to achieve its investment objective. Many of the companies in which the Fund invests retain their earnings to finance current and future growth. These companies generally pay little or no dividends.

Primary Risks. These principal investment risks apply to the Fund:

MARKET RISK is the risk that the value of the securities in which a Fund invests may go up or down in response to the prospects of individual issuers and/or general economic conditions. Price changes may be temporary or last for extended periods.

MANAGEMENT RISK is the risk that a strategy used by the investment management team may fail to produce the intended results.

LIQUIDITY RISK is the risk that a Fund will not be able to pay redemption proceeds within the time periods described in this Prospectus because of an inability to sell securities of companies, including small and mid-sized companies, due to low trading volume, unusual market conditions, an unusually high volume of redemption requests or other reasons.

STOCK RISK is the risk that stock prices have historically risen and fallen in periodic cycles. In general, the values of equity investments fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the values of the equity investments that a Fund holds may decline over short or extended periods. This volatility means that the value of your investment in the Funds may increase or decrease. Over the past several years, stock markets have experienced substantial price volatility. Growth stocks are generally more sensitive to market movements than other types of stocks and their stock prices may therefore be more volatile and present a higher degree of risk of loss. Value stocks, on the other hand, may fall out of favor with investors and underperform growth stocks during any given period.

DERIVATIVES RISK is the risk that loss may result from a Fund's investments in options, futures, swaps, structured securities and other derivative instruments, which may be leveraged. Investments in derivative instruments may result in losses exceeding the amounts invested. The Funds may use derivatives to enhance returns or hedge against market declines.

SMALL CAP STOCK RISK is the risk that stocks of smaller companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies. Small companies may have limited product lines or financial resources, or may be dependent upon a small or inexperienced management group. As a result, their performance can be more volatile and they may face a greater risk of business failure, which could increase the volatility of the Funds investments. In addition, small cap stocks typically are traded in lower volume, and their issuers typically are subject to a greater degree of change in their earnings and prospects. Securities of small companies may lack sufficient market liquidity to enable a Fund to effect sales at an advantageous time or without a substantial drop in price. Generally the smaller the company size, the greater the risk.

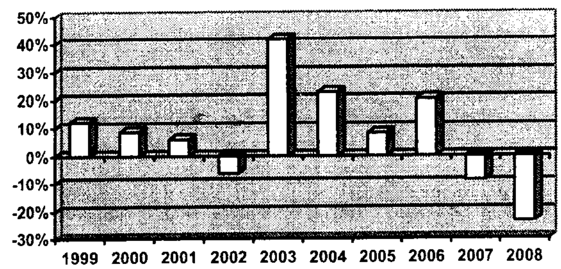
TECHNOLOGY SECURITIES RISK is the risk that securities of technology companies may be subject to greater price volatility than securities of companies in other sectors. Technology companies may produce or use products or services that prove commercially unsuccessful, or become obsolete, or may be adversely impacted by government regulations. Technology securities may experience significant price movements caused by disproportionate investor optimism or pessimism.

Fees & Expenses.
(Based on the prospectus dated July 31, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	1.00%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008	1 Yr	5 Yr	10 Yr
Northern Small Cap Value	-23.43%	2.18%	6.65%
Russell 2000 Value Index	-28.92%	0.27%	6.11%

*****

Northern Instl. Equity Index Fund
(Institutional Shares)

Investment Objective. The Portfolio seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the Standard & Poor's 500® Composite Stock Price Index ("S&P 500® Index").

The S&P 500 Index is an unmanaged index which includes 500 companies operating across a broad spectrum of the U.S. economy, and its performance is widely considered representative of the U.S. stock market as a whole. The companies chosen for inclusion in the S&P 500 Index tend to be industry leaders within the U.S. economy as determined by Standard and Poor's Rating Services ("S&P"). However, companies are not selected by S&P for inclusion because they are expected to have superior stock price performance relative to the market in general or other stocks in particular. As of December 31, 2007, the approximate market capitalization range of companies included in the S&P 500 Index was between $710 million and $511.89 billion.

Primary Investment Strategies. Under normal circumstances, the Portfolio will invest substantially all (and at least 80%) of its net assets in the equity securities of the companies that make up the S&P 500 Index, in weightings that approximate the relative composition of the securities contained in the S&P 500 Index, and in S&P 500 Index futures approved by the CFTC.

The Portfolio is passively managed, which means it tries to duplicate the investment composition and performance of the S&P 500 Index using computer programs and statistical procedures. As a result, the investment management team does not use traditional methods of investment management for this Portfolio, such as selecting securities on the basis of economic, financial and market analysis. Rather, the investment management team will buy and sell securities in response to changes in the S&P 500 Index. Because the Portfolio will have fees and transaction expenses (while the S&P 500 Index has none), returns are likely to be below those of the S&P 500 Index.

The Investment Adviser expects that, under normal circumstances, the quarterly performance of the Portfolio, before expenses, will track the performance of the S&P 500 Index within a 0.95 correlation coefficient.

Primary Risks. These principal investment risks apply to the Portfolio:

MARKET RISK is the risk that the value of the securities in which a Portfolio invests may go up or down in response to the prospects of individual issuers and/or general economic conditions. Price changes may be temporary or last for extended periods.

MANAGEMENT RISK is the risk that a strategy used by the investment management team may fail to produce the intended results.

LIQUIDITY RISK is the risk that a Portfolio will not be able to pay redemption proceeds within the time periods described in this Prospectus because of an inability to sell securities of companies, including small and mid-sized companies, due to low trading volume; unusual market conditions; an unusually high volume of redemption requests; or other reasons.

STOCK RISK is the risk that stock prices have historically risen and fallen in periodic cycles. In general, the values of equity investments fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the values of the equity investments that a Portfolio holds may decline over short or extended periods. This volatility means that the value of your investment in the Portfolios may increase or decrease. Over the past several years, stock markets have experienced substantial price volatility. Growth stocks are generally more sensitive to market movements than other types of stocks and their stock prices may therefore be more volatile and present a higher degree of risk of loss. Value stocks, on the other hand, may fall out of favor with investors and underperform growth stocks during any given period.

DERIVATIVES RISK is the risk that loss may result from a Portfolio's investments in options, futures, swaps, structured securities and other derivative instruments, which may be leveraged. Investments in derivative instruments may result in losses exceeding the amounts invested. The Portfolios may use derivatives to enhance returns or hedge against market declines.

TRACKING RISK is the risk that a Portfolio's performance may vary substantially from the performance of the benchmark index it tracks as a result of share purchases and redemptions, transaction costs, expenses and other factors.

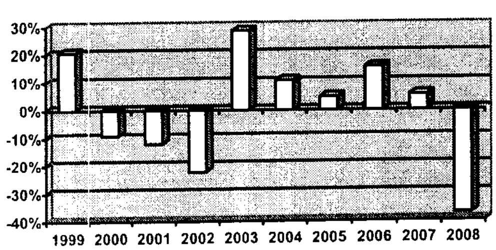
TECHNOLOGY SECURITIES RISK is the risk that securities of technology companies may be subject to greater price volatility than securities of companies in other sectors. Technology companies may produce or use products or services that prove commercially unsuccessful, or become obsolete, or may be adversely impacted by government regulation. Technology securities may experience significant price movements caused by disproportionate investor optimism or pessimism.

Fees & Expenses.
(Based on the prospectus dated April 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.21%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
Northern Instl. Equity Index	-37.13%	-2.36%	-1.58%
S&P 500 Index	-37.00%	-2.19%	-1.38%

*****

Northern Instl. Small Company Index Fund
(Institutional Shares)

Investment Objective. The Portfolio seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the Russell 2000 Index.

The Russell 2000 Index is a market value-weighted index which includes stocks of the smallest 2,000 companies in the Russell 3000® Index. The Russell 3000 Index consists of stocks of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. The Russell 2000 Index is widely considered representative of smaller company stock performance as a whole. The companies in the Russell 2000 Index are selected according to their total market capitalization. Companies are *not* selected by Russell for inclusion in the Russell 2000 Index because they are expected to have superior stock price performance relative to the stock market in general or other stocks in particular. As of December 31, 2007, the approximate market capitalization range of the companies included in the Russell 2000 Index was between $27 million and $8.398 billion.

Primary Investment Strategies. Under normal circumstances, the Portfolio will invest substantially all (and at least 80%) of its net assets in the equity securities included in the Russell 2000 Index, in weightings that approximate the relative composition of securities contained in the Russell 2000 Index, and in Russell 2000 Index futures approved by the CFTC.

The Portfolio is passively managed, which means it tries to duplicate the investment composition and performance of the Russell 2000 Index by using computer programs and statistical procedures. As a result, the investment management team does not use traditional methods of investment management for the Portfolio, such as selecting securities on the basis of economic, financial and market analysis. Rather, the investment management team will buy and sell securities in response to changes in the Russell 2000 Index. Because the Portfolio will have fees and transaction expenses (while the Russell 2000 Index has none), returns are likely to be below those of the Russell 2000 Index.

The Investment Adviser expects that, under normal circumstances, the quarterly performance of the Portfolio, before expenses, will track the performance of the Russell 2000 Index within a 0.95 correlation coefficient.

Primary Risks. These principal investment risks apply to the Portfolio:
MARKET RISK is the risk that the value of the securities in which a Fund invests may go up or down in response to the prospects of individual issuers and/or general economic conditions. Price changes may be temporary or last for extended periods.

MANAGEMENT RISK is the risk that a strategy used by the investment management team may fail to produce the intended results.

LIQUIDITY RISK is the risk that a Fund will not be able to pay redemption proceeds within the time periods described in this Prospectus because of an inability to sell securities of companies, including small and mid-sized companies, due to low trading volume, unusual market conditions, an unusually high volume of redemption requests or other reasons.

STOCK RISK is the risk that stock prices have historically risen and fallen in periodic cycles. In general, the values of equity investments fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the values of the equity investments that a Fund holds may decline over short or extended periods. This volatility means that the value of your investment in the Funds may increase or decrease. Over the past several years, stock markets have experienced substantial price volatility. Growth stocks are generally more sensitive to market movements than other types of stocks and their stock prices may therefore be more volatile and present a higher degree of risk of loss. Value stocks, on the other hand, may fall out of favor with investors and underperform growth stocks during any given period.

DERIVATIVES RISK is the risk that loss may result from a Fund's investments in options, futures, swaps, structured securities and other derivative instruments, which may be leveraged. Investments in derivative instruments may result in losses exceeding the amounts invested. The Funds may use derivatives to enhance returns or hedge against market declines.

TRACKING RISK is the risk that a Portfolio's performance may vary substantially from the performance of the benchmark index it tracks as a result of share purchases and redemptions, transaction costs, expenses and other factors.

SMALL CAP STOCK RISK is the risk that stocks of smaller companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies. Small companies may have limited product lines or financial resources, or may be dependent upon a small or inexperienced management group. As a result, their performance can be more volatile and they may face a greater risk of business failure, which could increase the volatility of the Funds investments. In addition, small cap stocks typically are traded in lower volume, and their issuers typically are subject to a greater degree of change in their earnings and prospects. Securities of small companies may lack sufficient market liquidity to enable a Fund to effect sales at an advantageous time or without a substantial drop in price. Generally the smaller the company size, the greater the risk.

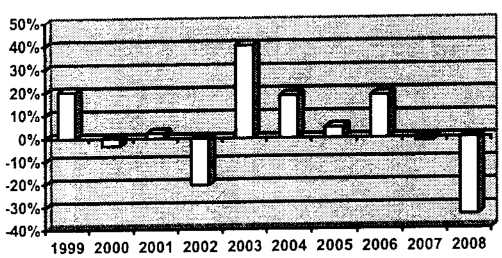
TECHNOLOGY SECURITIES RISK is the risk that securities of technology companies may be subject to greater price volatility than securities of companies in other sectors. Technology companies may produce or use products or services that prove commercially unsuccessful, or become obsolete, or may be adversely impacted by government regulation. Technology securities may experience significant price movements caused by disproportionate investor optimism or pessimism.

Fees & Expenses.
(Based on the prospectus dated April 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.31%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
Northern Instl. Small Co.	-33.71%	-0.95%	2.85%
Russell 2000 Index	-33.79%	-0.93%	3.02%

*****

T. Rowe Price Equity Income Fund
(Investor Shares)

Investment Objective. The Fund seeks to provide substantial dividend income as well as long-term growth of capital through investments in the common stocks of established companies.

Primary Investment Strategies. The fund will normally invest at least 80% of its net assets in common stocks, with 65% in the common stocks of well-established companies paying above-average dividends.

The fund typically employs a "value" approach in selecting investments. Our in-house research team seeks companies that appear to be undervalued by various measures and may be temporarily out of favor but have good prospects for capital appreciation and dividend growth.

In selecting investments, we generally look for companies with one or more of the following:

- an established operating history;
- above-average dividend yield relative to the S&P 500;
- low price/earnings ratio relative to the S&P 500;
- a sound balance sheet and other positive financial characteristics;
- low stock price relative to a company's underlying value as measured by assets, cash flow, or business franchises.

In pursuing its investment objective, the fund's management has the discretion to purchase some securities that do not meet its normal investment criteria, as described above, when it perceives an unusual opportunity for gain. These special situations might arise when the fund's management believes a security could increase in value for a variety of reasons, including a change in management, an extraordinary corporate event, or a temporary imbalance in the supply of or demand for the securities.

While most assets will be invested in U.S. common stocks, the fund may invest in other securities, including foreign stocks, and use futures and options in keeping with fund objectives.

The fund may sell securities for a variety of reasons, such as to secure gains, limit losses, or redeploy assets into more promising opportunities.

Certain investment restrictions, such as a required minimum or maximum investment in a particular type of security, are measured at the time the fund purchases a security. The status, market value, maturity, credit quality, or other characteristics of the fund's securities may change after they are purchased, and this may cause the amount of the fund's assets invested in such securities to exceed the stated maximum restriction or fall below the stated minimum restriction. If any of these changes occur, it would not be considered a violation of the investment restriction. However, purchases by the fund during the time it is above or below the stated percentage restriction would be made in compliance with applicable restrictions.

Primary Risks. The value approach carries the risk that the market will not recognize a security's intrinsic value for a long time or that a stock judged to be undervalued may actually be appropriately priced.

The fund's emphasis on stocks of established companies paying high dividends and its potential investments in fixed-income securities may limit its potential for appreciation in a broad market advance. Such securities may be hurt when interest rates rise sharply. Also, a company may reduce or eliminate its dividend.

As with all equity funds, this fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The market as a whole can decline for many reasons, including adverse political or economic developments here or abroad, changes in investor psychology, or heavy institutional selling. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. In addition, our assessment of companies held in the fund may prove incorrect, resulting in losses or poor performance even in a rising market. Finally, the fund's investment approach could fall out of favor with the investing public, resulting in lagging performance versus other types of stock funds.
Foreign stock holdings may lose value because of declining foreign currencies or adverse political or economic events overseas. The use of futures and options, if any, are subjects the fund to additional volatility and potential losses.

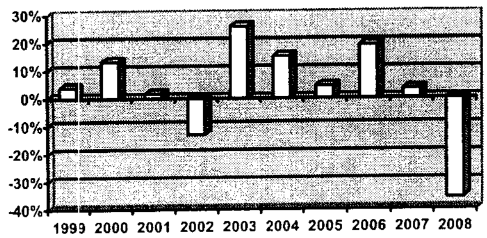
As with any mutual fund, there can be no guarantee the fund will achieve its objective.

Fees & Expenses.
(Based on the prospectus dated May 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.67%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
T. Rowe Price Equity Income	-35.75%	-1.05%	2.16%
Lipper Equity Income Index	-35.40%	-1.19%	0.50%

*****

T. Rowe Price Extended Equity Market Index Fund

(Investor Shares)

Investment Objective. The Fund seeks to match the performance of the U.S. stocks not included in the S&P 500, which are primarily small- and mid- capitalization stocks. We use the S&P Completion Index to represent the universe.

Primary Investment Strategies. The Fund uses a sampling strategy, investing substantially all of its assets in a group of stocks representative of the S&P Completion Index. The Fund does not attempt to fully replicate the index by owning each of the stocks in it. The index includes approximately 4,000 stocks.

T. Rowe Price compares the composition of the fund to that of the index. If a misweighting develops, the portfolio is rebalanced in an effort to bring it into line with the index. In addition to stocks, the fund may purchase exchange-traded funds, stock index futures, or stock options in an effort to minimize any deviations in performance with the index.

Primary Risks. The fund is designed to track a broad segment of the U.S. stock market—whether they are rising or falling. Markets as a whole can decline for many reasons, including adverse political or economic developments here or abroad, changes in investor psychology, or heavy institutional selling.

Since the fund is passively managed and seeks to remain fully invested at all times, assets cannot be shifted from one stock or group of stocks to another based on their prospects, or from stocks into bonds or cash equivalents in an attempt to cushion the impact of a market decline. Therefore, actively managed funds may outperform these funds.

This fund will be subject to the greater risks associated with small- and mid-cap stocks. Smaller companies often have limited product lines, markets, or financial resources, and may depend on a small group of inexperienced managers. The securities of small companies may have limited marketability and liquidity and are often subject to more abrupt or erratic market movements than shares of larger companies or the major market averages. The very nature of investing in smaller companies involves greater risk than is customarily associated with large-cap companies.

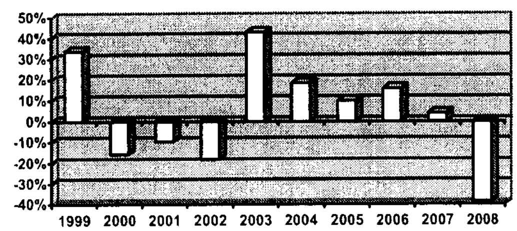
As with any mutual fund, there can be no guarantee the fund will achieve their objectives.

Fees & Expenses.
(Based on the prospectus dated May 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.40%
Redemption Fee (On shares held for 90 days or less)	0.50%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
T. Rowe Price Ext. Market	-38.50%	-0.72%	1.42%
S&P Completion Index	-38.94%	------	------

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William Blair Small Cap Growth Fund

(Institutional Shares)

Investment Objective. The Fund seeks long-term capital appreciation.

Primary Investment Strategies. Under normal market conditions, the Fund invests at least 80% of net assets (plus the amount of any borrowings for investment purposes) in stocks of small cap companies. The Fund invests primarily in a diversified portfolio of common stocks of small domestic growth companies that are expected to experience solid growth in earnings. For purposes of the Fund, THE Fund considers a company to be a small-capitalization company if it has a market capitalization, at the time of purchase, no larger than the largest capitalized company included in the Russell 2000® Index. Securities of whose market capitalization no longer meets this definition after purchase may continue to be held in the Fund. The Russell 2000® Index is a widely recognized, unmanaged index of common stocks that measures the performance of the 2,000 smallest companies in the Russell 3000® Index. The companies in the Russell 2000® Index are considered representative of small-sized companies. The size of companies in the Index may change with market conditions. In addition, changes to the composition of the Russell 2000® Index can change the market capitalization range of the companies in the Index. The Fund also invests in securities of micro-cap companies (i.e. those with market capitalizations of $300 million or less at the time of the Fund's investment). To a limited extent, (i.e. with respect to the remaining 20% of its net assets) the Fund may also purchase stock in companies with business characteristics and growth prospects similar to small companies, but which may have market capitalizations above the market capitalization of the largest member of the Russell 2000® Index. The Fund may invest in new companies, which are companies with continuous operations of less than three years. The Fund may purchase and sell investments without regard to their holding period. The Advisor may aggressively trade the Fund's portfolio in order to take advantage of short-term appreciation of particular stocks. The Fund will provide shareholders with at least 60 days prior notice of any change in its 80% investment policy.

Primary Risks. Since the Fund invests most of its assets in common stocks, the primary risk is that the value of the stocks it holds might decrease in response to the activities of an individual company or general economic and market conditions. Thus, the Fund's returns will vary, and you could lose money by investing in the Fund. The securities of small and medium-sized companies are volatile and less liquid than securities of large companies. In addition, small and medium-sized companies may be traded in low volumes, which can increase volatility. These risks are intensified for investments in micro-cap companies. New companies in which the Fund invests may be undercapitalized and may have inexperienced management.

The Fund may trade aggressively and thus may experience high portfolio turnover and relatively high transaction costs. The Fund may realize significant short-term and long-term capital gains, which will result in taxable distributions to investors. Tax and transaction costs may lower the Fund's effective return for investors.

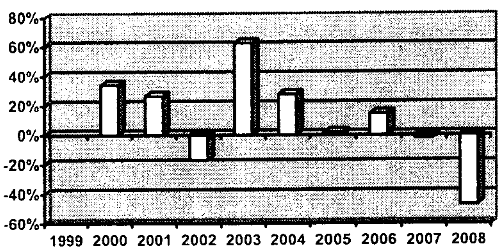
THE FUND INVOLVES A HIGH LEVEL OF RISK, AND MAY NOT BE APPROPRIATE FOR EVERYONE. You should consider it only for the aggressive portion of your portfolio. Of course, for all mutual funds there is the risk that a strategy used by the Advisor may fail to produce its intended result. Through the management of separate accounts, the Advisor may have discretionary authority over a significant portion of the assets in the Fund. In such instance, the Advisor's decision to make changes to or rebalance its clients' allocations may substantially impact the Fund's performance. The Fund is designed for long-term investors.

Fees & Expenses.
(Based on the prospectus dated May 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	1.20%
Redemption Fee (for shares sold (or exchanged) within 60 days of their purchase)	1.00%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	Since Inception
William Blair Sm-Cap Growth (12/27/99)	-46.70%	-4.98%	6.69%
Russell 2000 Growth Index	-38.54%	-2.35%	-4.15%

*****

AllianceBernstein International Value Fund
(Advisor Shares)

Investment Objective. Long-term growth of capital.

Primary Investment Strategies. The Fund invests primarily in a diversified portfolio of equity securities of established companies selected from more than 40 industries and more than 40 developed and emerging market countries. The Fund normally invests in companies in at least three countries other than the United States. These countries currently include the developed nations in Europe and the Far East, Canada, Australia and emerging market countries worldwide. The Fund invests in companies that are determined by Bernstein to be undervalued, using a fundamental value approach. In selecting securities for the Fund's portfolio, Bernstein uses its fundamental and quantitative research to identify companies whose long-term earnings power is not reflected in the current market price of their securities.

Bernstein's fundamental value approach to equity investing generally defines value as the relationship between a security's current price and its intrinsic economic value, as measured by long-term earnings prospects. In each market, this approach seeks to identify a universe of securities that are considered to be undervalued because they are attractively priced relative to their future earnings power. Accordingly, forecasting corporate earnings and dividend-paying capability is the heart of the fundamental value approach. Bernstein's fundamental analysis depends heavily upon its large internal research staff. The research staff begins with a global research universe of approximately 2,000 international and emerging market companies. Teams within the research staff cover a given industry worldwide, to better understand each company's competitive position in a global context.

Bernstein's staff of company and industry analysts develops earnings estimates and financial models for each company analyzed. Bernstein identifies and quantifies the critical variables that influence a business's performance and uses this research insight to forecast each company's long-term prospects and expected returns. As one of the largest multi-national investment firms, the Adviser and Bernstein have global access to considerable information concerning all of the companies followed, an in-depth understanding of the products, services, markets and competition of these companies and a good knowledge of the management of most of the companies in the research universe. Bernstein's proprietary quantitative expected return model ranks all potential investments in order from the highest to lowest expected return. The Fund does not simply purchase the top-ranked securities, but rather uses this tool to help guide fundamental analysts in pursuing their research. A company's financial performance is typically projected over a full economic cycle, including a trough and a peak, within the context of forecasts for real economic growth, inflation and interest rate changes. As a result, forecasts of near-term economic events are generally not of major consequence.

Senior investment professionals, including the Fund's portfolio managers, carefully review the research process to ensure that the analysts have appropriately considered key issues facing each company, that forecasts of a company's future are compatible with its history, and that all forecasts use consistent analytic frameworks and economic assumptions.

Bernstein considers aggregate portfolio characteristics when deciding how much of each security to purchase for the Fund. Bernstein's quantitative analysts build risk models to ensure that the Fund's portfolio is constructed to obtain an effective balance of risk and return. By evaluating overall regional, country and currency exposures, sector concentration, degree of undervaluation and other subtle similarities among investments, Bernstein selects those top-ranked securities that also tend to diversify the Fund's risk.

A disparity between a company's current stock price and the assessment of intrinsic value can arise, at least in part, as a result of adverse, short-term market reactions to recent events or trends. In order to reduce the risk that an undervalued security will be purchased before such an adverse market reaction has run its course, Bernstein also analyzes relative return trends (also called "momentum") so as to better time new purchases and sales of securities.

Currencies can have a dramatic impact on equity returns, significantly adding to returns in some years and greatly diminishing them in others. Currency and equity positions are evaluated separately. Bernstein may seek to hedge the currency exposure resulting from securities positions when it finds the currency exposure unattractive. To hedge a portion of its currency risk, the Fund may from time to time invest in currency-related derivatives, including forward currency exchange contracts, futures, options on futures, swaps and options. Bernstein may also seek investment opportunities by taking long or short positions in currencies through the use of currency-related derivatives.

A security generally will be sold when it no longer meets appropriate valuation criteria. Sale of a stock that has reached its target may be delayed, however, when momentum is favorable.

The Fund may invest in depositary receipts, instruments of supranational entities denominated in the currency of any country, securities of multinational companies and "semi-governmental securities", and enter into forward commitments. The Fund may enter into derivatives transactions, such as options, futures, forwards, and swap agreements.

Primary Risks. The Fund's principal risks include:

MARKET RISK - This is the risk that the value of a Fund's investments will fluctuate as the stock or bond markets fluctuate and that prices overall will decline over short- or long-term periods.

DERIVATIVES RISK - These investments may be illiquid, difficult to price, and leveraged so that small changes may produce disproportionate losses for the Fund, and subject to counterparty risk to a greater degree than more traditional investments.

FOREIGN (NON-U.S.) RISK - A Fund's investments in non-U.S. securities may experience more rapid and extreme changes in value than investments in securities of U.S. issuers. The securities markets of many non-U.S. countries are relatively small, with a limited number of companies representing a small number of securities. Non-U.S. issuers usually are not subject to the same degree of regulation as U.S. issuers. Reporting, accounting and auditing standards of countries differ, in some cases significantly, from U.S. standards. Nationalization, expropriation or confiscatory taxation, currency blockage or political changes or diplomatic developments could adversely affect a Fund's investments in a country other than the United States. To the extent a Fund invests in a particular country or geographic region, the Fund may have more significant risk due to market changes or other factors affecting that country or region, including political instability and unpredictable economic conditions.

EMERGING MARKET RISK - Foreign investment risk may be particularly high to the extent a Fund invests in emerging market securities of issuers based in countries with developing economies. These securities may present market, credit, currency, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign (non-U.S.) countries.

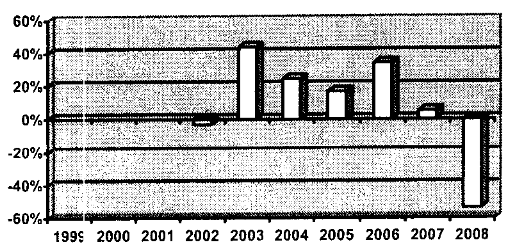
CURRENCY RISK - This is the risk that changes in foreign (non-U.S.) currency exchange rates may negatively affect the value of a Fund's investments or reduce the returns of a Fund. For example, the value of a Fund's investments in foreign stocks or currencies may decrease if the U.S. Dollar is strong (*i.e.* gaining value relative to other currencies) and other currencies are weak (*i.e.* losing value relative to the U.S. Dollar). Currency markets generally are not as regulated as securities markets.

Fees & Expenses.
(Based on the prospectus dated March 2, 2009)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.84%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	Since Inception
AllianceBernstein Int'l Value (3/29/01)	-53.44%	-0.66%	4.01%
MSCI EAFE Index	-43.38%	1.66%	1.84%

*****

Oppenheimer International Growth Fund
(Class Y Shares)

Investment Objective. The Fund seeks long-term capital appreciation.

Primary Investment Strategies. The Fund mainly invests in the common stock of growth companies that are domiciled or that have their primary operations outside of the United States. It may invest 100% of its assets in securities of foreign companies. The Fund may invest in emerging markets as well as in developed markets throughout the world. From time to time it may place greater emphasis on investing in one or more particular regions such as Asia, Europe or Latin America. Under normal market conditions the Fund will:

* invest at least 65% of its total assets in common and preferred stocks of issuers in at least three different countries outside of the United States, and
* emphasize investments in common stocks of issuers that the portfolio manager considers to be "growth" companies.

The Fund does not limit its investments to issuers within a specific market capitalization range and at times may invest a substantial portion of its assets in one or more particular capitalization ranges. The Fund currently invests a substantial portion of its assets in stock of small- to mid-sized companies. The price of those stocks may be more volatile than the price of stocks issued by larger companies.

The Fund can also buy securities convertible into common stock and other securities having equity features. The Fund can use hedging and certain derivative instruments to seek capital appreciation or to try to manage investment risks.

Primary Risks. All investments have some degree of risk. The value of the Fund's shares fluctuates as the value of the Fund's investments changes, and may decline. The value of the Fund's investments may change because of broad changes in the markets in which the Fund invests or from more specific factors like those described below. There is also the risk that poor security selection could cause the Fund to underperform other funds with similar objectives. When you redeem your shares, they may be worth more or less than what you paid for them. *These risks mean that you can lose money by investing in the Fund.*

Main Risks of Investing in Stocks. Stocks fluctuate in price, and may experience great short-term volatility. Because the Fund invests in common stocks, the value of the Fund's portfolio will be affected by changes in the stock markets. Different stock markets may behave differently from each other and U.S. stock markets may move in the opposite direction from one or more foreign stock markets.

A variety of factors can affect the price of a particular company's stock and the prices of individual stocks generally do not all move in the same direction at the same time. These factors may include: poor earnings reports, a loss of customers, litigation against the company, or changes in government regulations affecting the company or its industry. At times, the Fund may emphasize investments in a particular industry or sector. To the extent that the Fund increases its emphasis on stocks in a particular industry, the value of its investments may fluctuate more in response to events affecting that industry, such as changes in economic conditions, government regulations, availability of basic resources or supplies, or other events that affect that industry more than others. Main Risks of Foreign Investing. Foreign securities may offer special investment opportunities but are subject to special risks. The value of foreign investments may be affected by exchange control regulations, expropriation or nationalization of a company's assets, foreign taxes, delays in settlement of transactions, changes in economic or monetary policy in the U.S. or abroad, or other political and economic factors. Foreign issuers are not subject to the same accounting and disclosure requirements as U.S. companies, which may make it difficult for the Fund to evaluate a foreign company's operations or financial condition. A change in the value of a foreign currency against the U.S. dollar may result in a decline in the U.S. dollar value of securities denominated in that currency.

Special Risks of Emerging Markets. Emerging market countries may have less developed trading markets and exchanges. Securities of companies in emerging market countries may be more difficult to sell at an acceptable price and their prices may be more volatile than securities of companies in countries with more developed markets. Settlements of trades may be subject to greater delays so that the Fund may not receive the proceeds of a sale of a security on a timely basis. Economies of developing countries may be more dependent on relatively few industries that may be highly vulnerable to local and global changes. Emerging market countries may have less developed legal and accounting systems, and investments in those countries may be subject to greater risks of government restrictions, including restrictions on withdrawing assets from the country. The governments of emerging market countries may be more unstable than the governments of more developed countries. Emerging market countries may be more likely to nationalize companies or impose restrictions on foreign ownership of local companies. Investments in companies in emerging market countries may be considered speculative.

Special Risks of Growth Investing. Growth investing has gone in and out of favor during past market cycles and is likely to continue to do so. During periods when growth investing is out of favor or when markets are unstable, the Fund may have greater difficulty selling growth company securities at an acceptable price. If a growth company's earnings growth or stock price fails to increase as anticipated, its stock price may decline sharply. Growth companies may be newer or smaller companies that may experience substantially greater stock price fluctuation and risk of loss than larger, more established companies.

Special Risks of Small- and Mid-Sized Company Stocks. Small- and mid-sized companies may be either established or newer companies. While smaller companies might offer greater opportunities for capital appreciation than larger companies, they also involve greater risk of loss. They may be more sensitive to changes in a company's earnings expectations and may experience more abrupt and erratic price movements. Smaller companies' stocks often trade in lower volumes, and it might be harder for the Fund to dispose of its holdings at an acceptable price when it wants to sell them. Small- and mid-sized companies may have smaller product lines or lack established markets for their products or services and may be dependent on only a few customers or suppliers for a greater amount of their business. They may have more limited access to financial resources and may not have the financial strength to sustain them through business downturns or adverse market conditions. They may have unseasoned management or less depth in management skill than larger, more established companies. Smaller companies may be more reliant on the efforts of particular members of their management team and management changes may pose a greater risk to the success of the business. Since small- and mid-sized companies typically reinvest a high proportion of their earnings in their business, they may lack liquidity in a declining market. It may take a substantial period of time before the Fund realizes a gain on an investment in the stock of a small- or mid-sized company, if it realizes any gain at all.

There is no assurance that the Fund will achieve its investment objective. In the OppenheimerFunds spectrum, the Fund is an aggressive investment vehicle, designed for investors willing to assume greater risks in the hope of achieving long-term capital appreciation. It is likely to experience greater fluctuations in its share prices than funds that do not invest in foreign securities (particularly emerging market securities) or than funds that focus on both stocks and bonds.

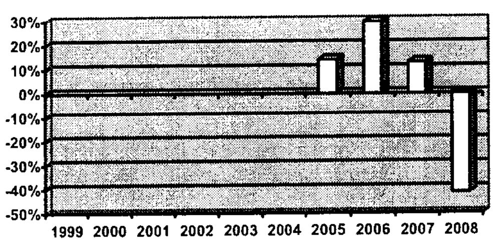
All investments carry risks to some degree. The Fund's investments in stocks are subject to changes in their value from a number of factors. There is the risk that poor security selection by the Fund's investment manager, OppenheimerFunds, Inc. will cause the Fund to underperform other funds having similar objectives.

Fees & Expenses.
(Based on the prospectus dated February 29, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.74%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	Since Inception
Oppenheimer Int'l Growth (9/7/05)	-41.22%	------	-2.73%
MSCI EAFE Index	-43.38%	1.66%	------

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Northern Instl. Int'l Equity Index Fund
(Institutional Shares)

Investment Objective. The Portfolio seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the MSCI EAFE Index. The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States and Canada. As of December 31, 2007, the MSCI EAFE Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

Primary Investment Strategies. Under normal circumstances, the Portfolio will invest substantially all (and at least 80%) of its net assets in the equity securities included in the MSCI EAFE Index, in weightings that approximate the relative composition of the securities contained in the MSCI EAFE Index, and in MSCI EAFE Index futures approved by the Commodity Futures Trading Commission ("CFTC").

The Portfolio is passively managed, which means it tries to duplicate the investment composition and performance of the MSCI EAFE Index by using computer programs and statistical procedures. As a result, the investment management team does not use traditional methods of investment management for the Portfolio, such as selecting securities on the basis of economic, financial and market analysis. Rather, the investment management team will buy and sell securities in response to changes in the MSCI EAFE Index. Because the Portfolio will have fees and transaction expenses (while the MSCI EAFE Index has none), returns are likely to be below those of the MSCI EAFE Index.

Because the proportion of assets allocated to each country will approximate the relative country weights in the MSCI EAFE Index, more than 25% of the Portfolio's assets may be invested in a single country (such as the United Kingdom and Japan). This may make the Portfolio's performance more dependent upon the performance of a single country than if the Portfolio allocated its assets among issuers in a larger number of countries.

The Investment Adviser expects that, under normal circumstances, the quarterly performance of the Portfolio, before expenses, will track the performance of the MSCI EAFE Index within a 0.95 correlation coefficient.

Primary Risks. These principal investment risks apply to the Portfolio:

Market risk is the risk that the value of the securities in which a Fund invests may go up or down in response to the prospects of individual issuers and/or general economic conditions. Price changes may be temporary or last for extended periods.

Management risk is the risk that a strategy used by the investment management team may fail to produce the intended results.

Liquidity risk is the risk that a Fund will not be able to pay redemption proceeds within the time periods described in this Prospectus because of an inability to sell securities of companies, including small and mid-sized companies, due to low trading volume, unusual market conditions, an unusually high volume of redemption requests or other reasons.

Stock risk is the risk that stock prices have historically risen and fallen in periodic cycles. In general, the values of equity investments fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the values of the equity investments that a Fund holds may decline over short or extended periods. This volatility means that the value of your investment in the Funds may increase or decrease. Over the past several years, stock markets have experienced substantial price volatility. Growth stocks are generally more sensitive to market movements than other types of stocks and their stock prices may therefore be more volatile and present a higher degree of risk of loss. Value stocks, on the other hand, may fall out of favor with investors and underperform growth stocks during any given period.

Derivatives risk is the risk that loss may result from a Fund's investments in options, futures, swaps, structured securities and other derivative instruments, which may be leveraged. Investments in derivative instruments may result in losses exceeding the amounts invested. The Funds may use derivatives to enhance returns or hedge against market declines.

TRACKING RISK is the risk that a Portfolio's performance may vary substantially from the performance of the benchmark index it tracks as a result of share purchases and redemptions, transaction costs, expenses and other factors.

CURRENCY RISK is the potential for price fluctuations in the dollar value of foreign securities because of changing currency exchange rates or, in the case of hedged positions, that the U.S. dollar will decline in value relative to the currency hedged.

COUNTRY RISK is the potential for price fluctuations in foreign securities because of political, financial and economic events in foreign countries. Investment of more than 25% of a Portfolio's total assets in securities of issuers located in one country will subject the Portfolio to increased country risk with respect to the particular country.

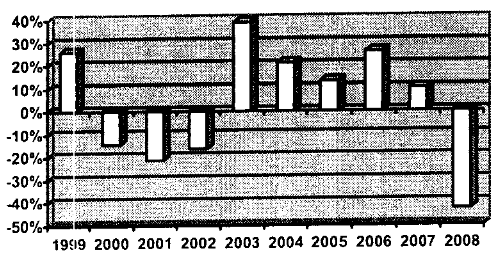
FOREIGN REGULATORY RISK is the risk that a foreign security could lose value because of less stringent foreign securities regulations and accounting and disclosure standards.

Fees & Expenses.
(Based on the prospectus dated April 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.41%
Redemption Fee (On shares sold or exchanged within 30 days of purchase.)	2.00%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
Northern Instl. Int'l Equity	-42.71%	1.75%	0.76%
MSCI EAFE Index	-43.38%	1.66%	0.80%

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Calvert Social Investment Equity Fund
(Institutional Shares)

Investment Objective. The Fund seeks growth of capital through investment in stocks of issuers in industries believed to offer opportunities for potential capital appreciation and which meet the Fund's investment and social criteria.

Primary Investment Strategies. Under normal circumstances, the Fund will invest at least 80% of its net assets (including borrowings for investment purposes) in equity securities. "Equity Securities" for purposes of this 80% policy means common stock. The Fund will provide shareholders with at least 60 days' notice before changing this 80% policy. The Fund invests primarily in the common stocks of U.S. large-cap companies, although it may have other investments, including foreign stocks and mid-cap stocks. The Fund defines large-cap companies as those whose market capitalization falls within the range of the Standard & Poor's ("S&P") 500 Index. The S&P 500 Index is reconstituted from time to time. The market capitalization range for the S&P 500 Index was $470 million to $406 billion as of December 31, 2008. Under normal circumstances, the Fund seeks to have a weighted average market capitalization of at least $20 billion. The Fund also may purchase stocks outside the S&P 500 Index. Investment returns will be primarily from changes in the price of the Fund's holdings (capital appreciation).

The Sub-advisor looks for established companies with a history of steady earnings growth. Companies are selected based on the Sub-advisor's opinion that the company has the ability to sustain growth through high profitability and that the stock is favorably priced with respect to those growth expectations. The Sub-advisor may elect to sell a security when deteriorating business or financial prospects, excessive valuation, or other factors that conflict with the original rationale that support investing in the company make the investment less attractive in the Sub-advisor's opinion.

The Fund seeks to invest in companies and other enterprises that demonstrate positive environmental, social and governance performance as they address corporate responsibility and sustainability challenges. Calvert believes that there are long-term benefits in an investment philosophy that attaches material weight to the environment, work-place relations, human rights, indigenous people's rights, community relations, and positive product and business practices, as well as corporate governance. Calvert also believes that managing risks and opportunities related to these issues can contribute positively to company as well as investment performance.

Investments for the Fund are first selected for financial soundness and then evaluated according to the Fund's social criteria. Investments for the Fund must be consistent with the Fund's current financial and social criteria.

Primary Risks. You could lose money on your investment in the Fund, or the Fund could underperform because of the following risks:
* The stock market may decline in value

* The individual stocks in the Fund may not perform as well as expected, and/or the Fund's portfolio management practices may not work to achieve their desired result.

* The prices of growth company securities held by the Fund may fall to a greater extent than the overall equity markets due to changing economic, political or market conditions or disappointing growth company earnings results. Growth stocks also generally lack the dividends of some value stocks that can cushion stock prices in a falling market.

* Common stocks represent an ownership interest in a company. They may or may not pay dividends or carry voting rights. Common stock occupies the most junior position in a company's capital structure. Debt securities and preferred stocks have rights senior to a company's common stock. Although common stocks have a history of long-term growth in value, their prices fluctuate based on changes in a company's financial condition and on overall market and economic conditions.

* Large cap companies may be unable to respond quickly to new competitive challenges such as changes in technology, and also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

* Investment in foreign securities involves additional risks relating to political, social, and economic developments abroad. Other risks from these investments result from the differences between the regulations to which U.S. and foreign issuers and markets are subject, and the potential for foreign markets to be less liquid and more volatile than U.S. markets.

* Investment in foreign securities also involves the risk that securities which trade or are denominated in currencies other than the U.S. dollar may be affected by fluctuations in currency exchange rates. An increase in the strength of the U.S. dollar relative to a foreign currency will generally cause the U.S. dollar value of an investment denominated in that currency to decline. Currency risk may be hedged or unhedged. Unhedged currency exposure may result in gains or losses as a result of a change in the relationship between the U.S. dollar and the respective foreign currency.

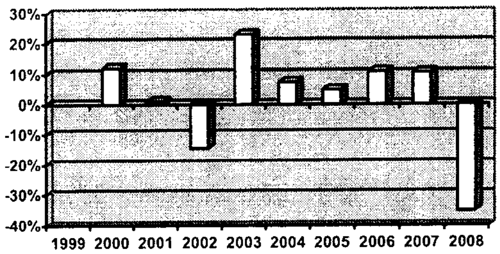
An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.
(Based on the prospectus dated January 31, 2009)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.67%
Redemption Fee (as a % of redemption proceeds) Note: Redemption fee applies only to redemptions, including exchanges, within 7 days of purchase.	2.00%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	Since Inception
CSIF Equity Fund (11/1/99)	-35.19%	-2.26%	1.80%
S&P 500 Index	-37.00%	-2.19%	-2.65%

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T. Rowe Price Real Estate Fund

(Investor Shares)

Investment Objective. The Fund seeks to provide long-term growth through a combination of capital appreciation and current income.

Primary Investment Strategies. The fund will normally invest at least 80% of net assets in the equity securities of real estate companies. Our definition of real estate companies is broad and includes those that derive at least 50% of revenues or profits from, or commit at least 50% of assets to, real estate activities. The fund is likely to maintain a significant portion of assets in real estate investment trusts (REITs). REITs pool money to invest in properties (equity REITs) or mortgages (mortgage REITs). The fund generally invests in equity REITs. Other investments in the real estate industry may include real estate operating companies, brokers, developers, and builders of residential, commercial, and industrial properties; property management firms; finance, mortgage, and mortgage servicing firms; construction supply and equipment manufacturing companies; and firms dependent on real estate holdings for revenues and profits, including lodging, leisure, timber, mining, and agriculture companies.

The fund will not own real estate directly and will have no restrictions on the size of companies selected for investment. Up to 20% of fund assets may be invested in companies deriving a substantial portion of revenues or profits from servicing real estate firms, as well as in companies unrelated to the real estate business.

Stock selection is based on fundamental, bottom-up analysis that generally seeks to identify high-quality companies with both good appreciation prospects and income-producing potential. Factors considered by the portfolio manager in selecting real estate companies include one or more of the following: relative valuation; free cash flow; undervalued assets; quality and experience of management; type of real estate owned; and the nature of a company's real estate activities. In pursuing its investment objective, the fund's management has the discretion to purchase some securities that do not meet its normal investment criteria, as described above, when it perceives an unusual opportunity for gain. These special situations might arise when the fund's management believes a security could increase in value for a variety of reasons, including a change in management, an extraordinary corporate event, or a temporary imbalance in the supply of or demand for the securities.

While most assets will be invested in U.S. common stocks, other securities may also be purchased, including foreign stocks, futures, and options, in keeping with fund objectives.

The fund may sell securities for a variety of reasons, such as to secure gains, limit losses, or redeploy assets into more promising opportunities.

Certain investment restrictions, such as a required minimum or maximum investment in a particular type of security, are measured at the time the fund purchases a security. The status, market value, maturity, credit quality, or other characteristics of the fund's securities may change after they are purchased, and this may cause the amount of the fund's assets invested in such securities to exceed the stated maximum restriction or fall below the stated minimum restriction. If any of these changes occur, it would not be considered a violation of the investment restriction. However, purchases by the fund during the time it is above or below the stated percentage restriction would be made in compliance with applicable restrictions.

Primary Risks. Since the fund is concentrated in the real estate industry, it is less diversified than stock funds investing in a broad range of industries and, therefore, could experience significant volatility, although the income offered by some real estate companies may help moderate this risk. For example, changes in the tax laws, overbuilding, environmental issues, the quality of property management in the case of REITs, and other factors could hurt the fund. Real estate is also affected by general economic conditions. When growth is slowing, demand for property decreases and prices may decline. Rising interest rates, which drive up mortgage and financing costs, can restrain construction and buying and selling activity, and may reduce the appeal of real estate investments. Also, if the portfolio has substantial exposure to small companies, it would be subject to the greater volatility of small-cap stocks.

As with all equity funds, this fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The market as a whole can decline for many reasons, including adverse political or economic developments here or abroad, changes in investor psychology, or heavy institutional selling. The prospects for an industry or company may deteriorate because of a variety of factors, including disappointing earnings or changes in the competitive environment. In addition, our assessment of companies held in the fund may prove incorrect, resulting in losses or poor performance even in a rising market. Finally, the fund's investment approach could fall out of favor with the investing public, resulting in lagging performance versus other types of stock funds.

Foreign stock holdings may lose value because of declining foreign currencies or adverse political or economic events overseas. The use of futures and options, if any, subjects the fund to additional volatility and potential losses. As with any mutual fund, there can be no guarantee the fund will achieve its objective.

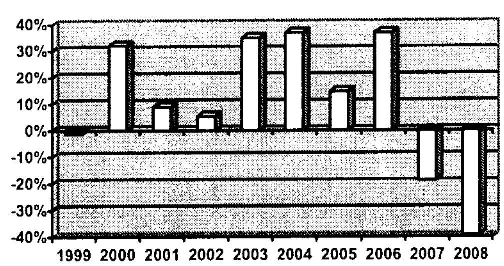
The fund's share price may decline, so when you sell your shares, you may lose money.

Fees & Expenses.
(Based on the prospectus dated May 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.74%
Redemption Fee (On shares held for 90 days or less.)	1.00%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
T. Rowe Price Real Estate	-39.08%	1.18%	7.89%
Lipper Real Estate Fund Index	-39.17%	0.51%	6.88%

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Earnest Partners Fixed Income Trust
(Institutional Shares)

Investment Objective. Seeks to preserve capital and maximize total return through active management of investment-grade fixed-income securities.

Primary Investment Strategies. The Fund pursues its investment objective by investing in market sectors or particular securities that the Fund's investment advisor, EARNEST Partners, LLC ("Advisor"), believes are undervalued due to market inefficiencies.

The Advisor implements this strategy by calculating an expected yield for various market sectors and securities and comparing the results to actual market yield levels. The expected yield is calculated using such factors as quality, duration, liquidity, and the relationship between price and yield. Investment decisions are made based upon opportunities the Advisor perceives to exist as a result of the differences in the expected yield and the actual market level yield.

The Advisor also considers the following when selecting securities:

- historical yield relationship between a security and a corresponding benchmark;
- credit risk;
- market volatility;
- interest rate levels relative to historical interest rate levels;
- supply and demand factors (i.e. spreads tend to widen when supply for a security exceeds demand).

An example for such an investment might be a particular security guaranteed by the U.S. government, which may be too small for many fixed-income dealers. With fewer buyers in the marketplace for such a security, a lower price and higher yield may be available, without any increase in credit risk.

In managing the Fund, the following additional restrictions are used:

- Portfolio duration will vary between 2 and 7 years, which is currently approximately equivalent to a 3 to 12 year average life. Duration is a measure of the weighted average maturity of the fixed-income instruments held by the Fund and can be used by the Advisor as a measure of the sensitivity of the market value of the Fund to changes in interest rates. Generally, the longer the duration of the Fund, the more sensitive its market value will be to changes in interest rates.

- At least 90% of the portfolio will be in bonds rated investment grade or better at all times by a nationally recognized securities rating organization ("NRSRO") or, if no rating exists, of equivalent quality in the determination of the Advisor.

Primary Risks. An investment in the Fund is subject to investment risks, including the possible loss of some or all of the principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following risks:

Market Risk: Market risk refers to the risk related to investments in securities in general and the daily fluctuations in the securities markets. The Fund's performance per share will change daily based on many factors, including fluctuations in interest rates, the quality of the instruments in the Fund's investment portfolio, national and international economic conditions, and general market conditions.

Credit Risk: Credit risk is the risk that the issuer or guarantor of a debt security or counterparty to the Fund's transactions will be unable or unwilling to make timely principal and/or interest payments, or otherwise will be unable or unwilling to honor its financial obligations. If the issuer, guarantor, or counterparty fails to pay interest, the Fund's income may be reduced. If the issuer, guarantor, or counterparty fails to repay principal, the value of that security and of the Fund's shares may be reduced. The Fund may be subject to credit risk to the extent that it invests in debt securities or engages in other transactions, such as securities loans, which involve a promise by a third party to honor an obligation to the Fund.

Interest Rate Risk: The price of a fixed income security is dependent upon interest rates. Therefore, the share price and total return of the Fund, when investing a significant portion of its assets in fixed income securities, will vary in response to changes in interest rates. A rise in interest rates will cause the value of fixed income securities to decrease. The reverse is also true. Consequently, there is the possibility that the value of the Fund's investment in fixed income securities may fall because

fixed income securities generally fall in value when interest rates rise. Changes in interest rates may have a significant effect on the Fund holding a significant portion of its assets in fixed income securities with long-term maturities. The longer the term of a fixed income instrument, the more sensitive it will be to fluctuations in value due to interest rate changes.

Maturity Risk: Maturity risk is another factor which can affect the value of the Fund's debt holdings. In general, the longer the maturity of a fixed income instrument, the higher its yield and the greater its sensitivity to changes in interest rates. Conversely, the shorter the maturity, the lower the yield but the greater the price stability.

Investment-Grade Securities Risk: Fixed income securities are generally rated by NRSROs. Fixed income securities rated BBB by Standard & Poor's® Rating Services ("S&P") or Baa by Moody's Investor Services, Inc. ("Moody's") are considered investment-grade securities, but are somewhat riskier than higher rated investment-grade obligations because they are regarded as having only an adequate capacity to pay principal and interest, and are considered to lack outstanding investment characteristics and may be speculative. Fixed income securities with lower ratings are subject to higher credit risk and may be subject to greater fluctuations in value than that of higher rated fixed income securities.

Junk Bonds or Lower-rated Securities Risk: Debt securities rated below Baa by Moody's and BBB by S&P or Fitch Investors Service, Inc. are considered speculative in nature and may be subject to certain risks with respect to the issuing entity and to greater market fluctuations than higher-rated fixed income securities. Lower-rated fixed income securities are usually issued by companies without long track records of sales and earnings, or by companies with questionable credit strength. These fixed income securities are considered "below investment-grade." The retail secondary market for these "junk bonds" may be less liquid than that of higher-rated fixed income securities and adverse conditions could make it difficult at times to sell certain securities or could result in lower prices than those used in calculating the Fund's net asset value. These risks can reduce value of the Fund's shares and the income it earns.

Investment Advisor Risk: The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objective. There can be no assurance that the Fund will be successful in meeting its objective.

Market Sector Risk: The percentage of the Fund's assets invested in various industries and sectors will vary from time to time depending on the Advisor's perception of investment opportunities. Investments in particular industries or sectors may be more volatile than the overall stock market. Consequently, a higher percentage of holdings in a particular industry or sector may have the potential for greater impact on the Fund's performance.

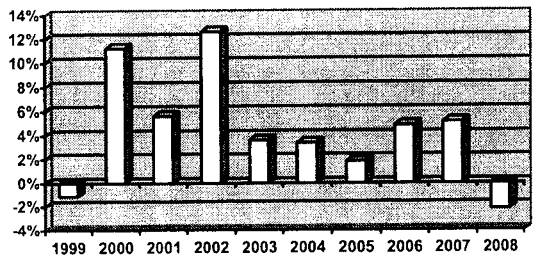
Portfolio Turnover Risk: The Fund may sell portfolio securities without regard to the length of time they have been held in order to take advantage of new investment opportunities or changing market conditions. As portfolio turnover may involve paying brokerage commissions and other transactions costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains. The payment of taxes on these gains could adversely affect the Fund's performance. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes. See the "Financial Highlights" section of this Prospectus for the Fund's portfolio turnover rates for prior periods.

Fees & Expenses.
(Based on the prospectus dated July 29, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.40%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
Earnest Partners Fixed Inc Trust	-2.19%	2.55%	4.39%
Barclays Capital U.S. Aggr. Index	5.24%	4.65%	5.63%

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Sit Dividend Growth Fund

(Class I Shares)

Investment Objective. The Fund primarily seeks to provide current income that exceeds the dividend yield of the S&P 500 Index and that grows over a period of years. Secondarily the Fund seeks long-term capital appreciation.

Primary Investment Strategies. The Fund seeks to achieve its objectives by investing, under normal market conditions, at least 80% of its net assets in dividend-paying common stocks. The Fund may invest the balance of its assets in preferred stocks, convertible bonds, and U.S. Treasury securities.

The Adviser invests in dividend paying growth-oriented companies it believes exhibit the potential for growth and growing dividend payments. The Adviser believes that a company's earnings growth is a primary determinant of its potential long-term return, and that a record of increasing dividend payments is a strong indicator of financial health and growth prospects. By investing in dividend paying stocks it is anticipated that the holdings will tend to be in large to medium-sized companies (companies with market capitalizations in excess of $2 billion). The Adviser considers several factors in its evaluation of a company's potential for above average long-term earnings, revenue, and dividend growth, including:

> a record of paying dividends,
> strong prospects for growing dividend payments indicated in part by growing earnings and cash flow,
> unique product or service,
> growing product demand,
> dominant and growing market share,
> management experience and capabilities, and
> strong financial condition.

Since stocks that pay dividends tend to be less volatile and may not experience the same capital appreciation as stocks that don't pay dividends, the Fund's diversified portfolio of dividend paying stocks is expected to have lower volatility than that of the S&P 500 Index, but with a higher dividend yield and greater prospects for dividend growth.

The Fund may invest up to 20% of its net assets in securities of issuers domiciled outside the U.S. When selling equity securities for the Fund, the Adviser considers several factors, including changes in a company's fundamentals, anticipated earnings, anticipated dividend payments and financial position.

Primary Risks. You could lose money by investing in the Fund. The principal risks of investing in the Fund are:

Stock Market Risk: The value of the stocks in which a Fund invests may go up or down in response to the activities of individual companies, the stock market and general economic conditions. Stock prices may decline over short or extended periods.

Management Risk: A strategy used by the investment management team may not produce the intended results.

Growth Style Investing Risk: Different types of stocks tend to shift into and out of favor with stock market investors depending on market and economic conditions. The Funds invest in growth style stocks. The Funds' performance may at times be better or worse than the performance of funds that focus on other types of stocks or that have a broader investment style.

Interest Rate Risk: Due to the Fund's investments in fixed-income securities, an increase in interest rates may lower the Fund's value and the overall return on your investment. The magnitude of this decrease is often greater for longer-term fixed-income securities than shorter-term securities.

Credit Risk: The issuers or guarantors of fixed-income securities owned by the Fund may default on the payment of principal or interest or on other obligations to the Fund, causing the value of the Fund to decrease.

Dividend Paying Company Risk: The Fund's income objective may limit its ability to appreciate during a broad market advance because dividend paying stocks may not experience the same capital appreciation as non-dividend paying stocks. In addition, stocks held by the Fund may reduce or stop paying dividends which could affect the Fund's ability to generate income.

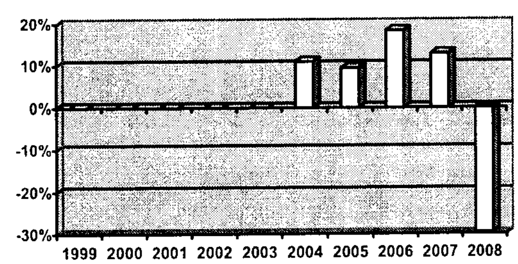
Foreign Securities Risk: The foreign securities the Fund may purchase are subject to risks not typically associated with domestic investing which may adversely affect the Fund's investment including changes in currency exchange rates, political and economic instability, different financial reporting standards and taxes, and less liquidity.

Fees & Expenses.
(Based on the prospectus dated November 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	1.02%
Redemption Fee (on shares held less than 30 days)	2.00%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	Since Inception
Sit Dividend Growth Fund (12/31/03)	-29.60%	-----	2.67%
S&P 500 Index	-37.00%	-----	-2.19%

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Ariel Fund

Investment Objective. The Fund seeks long-term capital appreciation.

Primary Investment Strategies. The Fund invests primarily in the stocks of companies with market capitalizations between $1 billion and $5 billion. Over time, the market capitalization for the Fund may change. The market capitalization range listed above reflects the one currently being utilized when purchasing securities for the Fund. The essence of the Fund's strategy is a combination of patience and stock selection. The Fund holds investments for a relatively long period of time—typically two to five years. During a longer-term investment horizon, the companies in the Fund's portfolio may increase in market capitalization. As long as a portfolio company otherwise meets the Fund's investment criteria and style, increased capitalization does not prevent the Fund from holding or buying more shares.

The Fund's investment adviser, Ariel Investments, LLC ("Ariel Investments" or the "Adviser"), concentrates on long-term investing. Ariel believes that this patient approach allows it to take advantage of buying opportunities that frequently arise from Wall Street's excessive focus on the short-term.

The Funds seek to invest in **quality** companies in industries in which Ariel has **expertise**. The Fund only buys when Ariel determines that these businesses are selling at excellent **values**.

Quality companies typically share several attributes that Ariel Investments believes should result in capital appreciation over time:

- High barriers to entry
- Sustainable competitive advantages
- Predictable fundamentals that allow for double digit earnings growth
- Skilled management teams
- Solid financials

Ariel Fund is a diversified fund, and the Fund generally will hold no more than 50 securities in its portfolio.

Primary Risks. Although Ariel Investments makes every effort to achieve the Fund's objective of long-term capital appreciation, the Adviser cannot guarantee it will attain that objective. You could lose money on your purchase of shares in this Fund. Below is a list of some of the principal risks of investing in the Fund and the measures the Adviser takes in attempting to limit those risks:

The stocks in companies held by the Fund could fall out of favor. --- The Fund avoids startup ventures and highly cyclical or speculative companies, and seeks companies with solid financial and proven records.

As the Fund holds relatively few stocks, a fluctuation in one stock could significantly affect a Fund's overall performance. --- The Adviser researches stocks thoroughly before purchase. Once a stock has been added to the Fund, it is monitored regularly and its contribution to Fund performance is reviewed on an ongoing basis. The general level of stock prices could decline. --- The Fund buys stocks whose prices are low relative to the Adviser's valuation of the business; there can be no assurance that such stocks will do better than the market average in a decline.

Returns from small and medium capitalization stocks could trail returns from the overall stock market. The performance of such stocks also could be more volatile. --- The Adviser researches stocks thoroughly before purchase and intends to hold them for a relatively long period of time.

Ariel Fund may invest up to 10% of its assets in securities of foreign companies. Foreign securities may involve risks of currency fluctuation and adverse developments in the foreign countries. --- The Adviser thoroughly researches foreign companies and the risks of foreign investments, and expects to invest mainly in American Depositary Receipts or Global Depositary Receipts and avoid "emerging" markets. Both **ADRs** and **GDRs** are a means of reducing costs when buying shares of a foreign company. However, the risks of buying foreign securities are not eliminated by ADRs and GDRs.

The Fund may invest a significant portion of its assets in financial services companies. The performance of these companies can be impacted by regulatory changes, interest rate fluctuations and changes in general economic conditions. --- The Adviser generally focuses on financial services companies with strong balance sheets and access to capital. On an ongoing basis, the Adviser monitors certain risks associated with investing in the financial services sector such as interest-rate and yield curve fluctuations. There can be no assurance that these companies will not be disproportionately impacted by economic and market conditions.

The Fund may invest a significant portion of its assets in companies in the consumer discretionary sector. This industry is subject to fluctuations in supply and demand. These companies may also be adversely affected by changes in consumer spending as a result of world events, political and economic conditions, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labor relations. --- The Adviser generally focuses on consumer discretionary companies whose products are typically purchased by the consumer on a recurring basis instead of those companies that produce large ticket discretionary items. There can be no assurance that these companies will not be disproportionately impacted by changes in consumer spending as a result of fluctuations in the overall economic and market conditions.

You should consider investing in the Fund if you are looking for long-term capital appreciation and are willing to accept the associated risks.

Although past performance cannot predict future results, stock investments historically have outperformed most bond and money market investments over long time periods. However, this higher return has come at the expense of greater short-term price fluctuations. Thus, you should not consider investing in the Fund if you anticipate a near-term need—typically within five years—for either the principal or the gains from your investment.

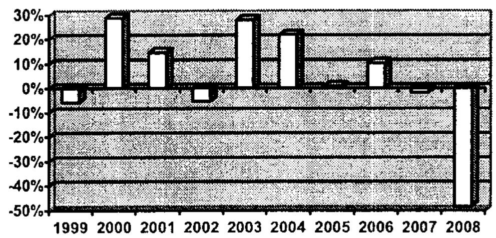
An investment in the Fund, like any mutual fund, is not a bank deposit. A mutual fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Fees & Expenses.
(Based on the prospectus dated February 1, 2009)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	1.07%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
Ariel Fund	-48.25%	-7.13%	1.52%
Russell 2500 Value Index	-31.99%	-0.15%	5.72%

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NCM Capital Mid-Cap Growth Fund
(No-Load Shares)

Investment Objective. The Fund's investment objective is long-term capital appreciation. The Fund's investment objective may be changed without shareholder approval.

Primary Investment Strategies. The Fund pursues its investment objective by investing primarily in equity securities of medium-capitalization ("mid-cap") U.S. companies. The Fund considers a mid-cap company to be one that has market capitalization, measured at the time the Fund purchases the security, within the range of $1 billion to $12 billion. The Fund's investments in mid-cap companies will be primarily in equity securities of such companies, such as common and preferred stock and securities convertible into common stock. The Fund intends to invest in a diversified group of mid-cap companies. Under normal market conditions, the Fund will invest at least 80% of the value of its total net assets in equity securities of mid-cap companies. The 80% investment policy may be changed without shareholder approval upon at least 60 days' prior written notice to shareholders.

In selecting portfolio securities, the Fund's investment adviser, NCM Capital Advisers, Inc. ("Adviser"), uses quantitative screens and proprietary models to produce a potential universe of over 800 companies. Through fundamental research, the Adviser then selects from that universe companies whose current share price is relatively undervalued as to the Adviser's estimated true value of such companies.

To select equity securities for the Fund, the Adviser generally:

• Performs financial analysis;
• Analyzes potential investments from a total portfolio perspective based on sector and industry weightings, style criteria, and "best fit ideas" (stocks meeting the adviser's market capitalization and risk profile tolerances); and

• Performs, analyzes and applies risk controls based on sector constraints and security constraints.

The Fund will generally sell an equity security when the security achieves the Adviser's target price, the Adviser identifies a more attractive investment, the Fund needs to maintain portfolio diversification, or an individual stock experiences declining fundamentals, negative earnings surprise or similar adverse events, or to stop loss.

Primary Risks. An investment in the Fund is subject to investment risks, including the possible loss of some or the entire principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following risks:

Manager Risk: The Adviser's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objective. While the Adviser has no previous experience as an investment adviser to mutual funds prior to the Fund's inception, an affiliate of the Adviser, NCM Capital Management Group, Inc., founded in 1986 by the Fund's Portfolio Manager, Maceo K. Sloan, served as investment sub-adviser to various other mutual funds from 1994 to 2002. The portfolio managers' experience is discussed in the Management of the Fund- Investment Adviser section of this Prospectus.

Market Risk: Market risk refers to the risk that the value of securities in the Fund's portfolio may decline due to daily fluctuations in the securities markets generally. The Fund's performance per share will change daily based on many factors, including fluctuation in interest rates, the quality of the instruments in the Fund's investment portfolio, national and international economic conditions, and general equity market conditions. In a declining stock market, stock prices for all companies (including those in the Fund's portfolio) may decline, regardless of their long-term prospects.

Mid-Cap Securities Risk: Investing in the securities of mid-cap companies generally involves greater risk than investing in larger, more established companies. This greater risk is, in part, attributable to the fact that the securities of these companies usually have more limited marketability and, therefore, may be more volatile than securities of larger, more established companies or the market averages in general. Because mid-cap companies normally have fewer shares outstanding than larger companies, it may be more difficult to buy or sell significant amounts of such shares without an unfavorable impact on prevailing prices.

Another risk factor is that mid-cap companies often have limited product lines, markets, or financial resources and may lack management depth. These companies are typically subject to greater changes in earnings and business prospects than are larger, more established companies. Mid-cap companies may be more vulnerable than larger companies to adverse business or economic developments.

In addition, mid-cap companies may not be well-known to the investing public, may not be followed by the financial press or industry analysts, and may not have institutional ownership. These factors affect the Adviser's access to information about the companies and the stability of the markets for the companies' securities.

The risk exists that mid-cap companies will not succeed, and the prices of the companies' shares could dramatically decline in value. Therefore, an investment in the Fund may involve a substantially greater degree of risk than an investment in other mutual funds that seek capital appreciation by investing in more established, larger companies.

Investment Style Risk: Different types of securities tend to shift into and out of favor with stock market investors depending on market and economic conditions. Because the Fund invests in securities of mid-cap companies, the Fund's performance may at times be better or worse than the performance of stock funds that focus on other types of stock strategies or have a broader investment style.

Issuer Risk: The value of a security may decline due to poor performance by the issuer of the security. Poor performance may be a result of poor management decisions, competitive pressures, supply or labor problems or shortages, changes in technology, financial problems, or other factors.

Fees & Expenses.
(Based on the prospectus dated June 30, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	1.56%

Performance Information.
The following table is intended to help you understand the risks of investing in the Fund. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	Since Inception
NCM Capital Mid-Cap (7/6/07)	-46.96%	n/a	-33.12%
Russell Midcap Growth Index	-44.32%	-2.33%	-------

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Forward Small Cap Equity Fund
(Institutional Shares)

Investment Objective. The Forward Small Cap Equity Fund seeks to achieve high total return. The Fund anticipates that its investment returns are likely to be in the form of capital appreciation rather than income, since small capitalization companies often do not pay regular dividends. There is no guarantee that the Fund will achieve its objective

Primary Investment Strategies. The Forward Small Cap Equity fund invests primarily in the equity securities (common and preferred stock and securities convertible into common or preferred stock) of companies that have small market capitalizations and offer future growth potential. The Fund will invest at least 80% of its net assets plus borrowings for investment purposes, if any, in the equity securities of small capitalization companies. This investment policy and the name of the Fund with respect to small cap equity securities may not be changed without at least 60 days' prior written notice to shareholders. For purposes of the Fund, small capitalization companies generally are companies with market capitalizations of up to $2.5 billion at the time of initial purchase. However, small capitalization companies may include any company with a market capitalization equal to or less than any company in the Russell 2000 Index at the time of purchase so long as the purchase of the these securities would not cause the average weighted market capitalization of the Fund to exceed $2.5 billion. The sub-advisor is not required to sell a stock when its market capitalization exceeds $2.5 billion although it may do so. The sub-advisor generally sells a security if the sub-advisor's price target is met, the security becomes over-valued in the opinion of the sub-advisor, the company's fundamentals change or if investment opportunities arise that, in the sub-advisor's opinion, are better.

The Fund may also invest up to 20% of its net assets plus borrowings for investment purposes, if any, in foreign investments and up to 5% of its net assets plus borrowings for investment purposes, if any, in securities in emerging markets. The sub-advisor has broad discretion to identify and invest in countries it considers to qualify as emerging markets. However, an emerging market will generally be considered as one located in any country that is defined as an emerging or developing economy by any of the following: the International Bank of Reconstruction and Development (e.g., the World Bank), including its various offshoots, such as the International Finance Corporation, or the United Nations or its authorities. The Fund will not invest more than 5% of its net assets plus borrowings for investment purposes, if any, in foreign investments denominated in a foreign currency and will limit its investments in any single non-U.S. country to 5% of its net assets plus borrowing for investment purposes, if any. Securities purchased by the Fund may be listed or unlisted in the markets where they trade and may be issued by companies in various industries, with various levels of market capitalization.

In making its investments, the Fund's sub-advisor seeks out companies with characteristics such as significant potential for growth in earnings, ability to compete in its business, a clearly defined business focus, strong financial health and management ownership. The Fund's sub-advisor attempts to locate out of favor and undiscovered companies and industries that are selling at low relative valuations. The sub-advisor's investment process focuses on specific companies but also takes into account the overall economic environment and specific industry or sector developments.

Primary Risks. As with any mutual fund investment, and investment in the Forward Small Cap Equity Fund may cause you to lose some or all of the money you invested. Because the securities in which the Fund invests may decrease in value, the net asset value of the Fund and the value of your investment may also decrease. You should consider your own investment goals, time horizon and risk tolerance before investing in the Fund.

Small Capitalization Stocks – Smaller companies may offer greater investment value, but they may present greater investment risks than investing in the securities of large companies. These risks include greater price volatility, greater sensitivity to change economic conditions and less liquidity than the securities of 2008) larger, more mature companies. Smaller companies can also have limited product lines, markets or financial resources and may not have sufficient management strength.

Portfolio Turnover – The Fund is generally expected to engage in frequent and active trading of portfolio securities to achieve its investment objective. A higher turnover rate (100% or more) will involve correspondingly greater transaction costs, which will be borne directly by a Fund, may have an adverse impact on performance, and may increase the potential for more taxable distributions be paid to shareholders, including short-term capital gains that are taxed at ordinary income rates. *Common Stocks* – The Fund invests in the equity securities of companies, which exposes the Fund and its shareholders to the risks associated with investing in common stocks. These risks include the financial risk of selecting individual companies that do not perform as anticipated, the risk that the stock markets in which the Fund invests may experience periods of turbulence and instability and the general risk that domestic and global economies may go through periods of decline and cyclical change. Many factors affect an individual company's performance, such as the strength of its management of the demand for its product or services.

Foreign Securities – Investments in foreign securities may present more risk than investing in U.S. securities because of factors such as unstable international political and economic conditions, currency fluctuations, foreign controls on investment and currency exchange, withholding taxes, exit levies, a lack of adequate company information, less liquid and more volatile markets and a lack of government regulation. Investments in emerging markets involve even greater risks such as immature economic structures and different legal systems.

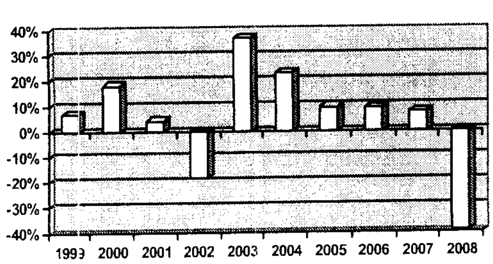
Currency Transactions – If a security is denominated in a foreign currency, the value of the security fluctuates if there is a change in currency exchange rates or exchange control regulations. Adverse currency fluctuations will reduce the value of the Fund's shares. Costs are incurred by the Fund in connection with conversions between currencies. Currency risks are greater in lesser-developed markets and can be unpredictably affected by external events. The sub-advisor is authorized to hedge against currency risks but is not required to do so and may choose not to do so because of the cost or for other reasons. In accordance with its investment philosophy, the Fund's sub-advisor generally chooses not to hedge the Fund's currency exposure.

Fees & Expenses.
(Based on the prospectus dated May 1, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	1.37%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	Since Inception
Forward Small-Cap (6/6/02)	-38.78%	-0.38%	2.18%
Russell 2000 Index	-33.79%	-0.93%	2.38%

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Adelante U.S. Real Estate Securities Fund
(Class Y Shares)

Investment Objective. The Fund's objective is total return from a combination of dividend income and long-term growth. The Fund's investment objective may be changed without shareholder approval.

Primary Investment Strategies. The Fund seeks to achieve its objective by investing at least 85% of its assets in equity securities of companies principally engaged in the U.S. real estate industry. The Fund will provide shareholders 60 days' notice prior to any change in this policy.

Adelante Capital Management LLC ("Adelante"), the Fund's adviser (the "Adviser"), manages the Fund's day-to-day investment activity. The process of selecting portfolio positions is a two-part process involving both an analysis of property sectors or types (a top-down approach) and an analysis of individual companies within the selected property sectors (a bottom-up approach). Property sectors are defined by the manner in which property is used. Examples of property sectors include office buildings, apartment complexes, shopping malls and industrial parks.

First, the top-down process is used to identify promising investments in the U.S. real estate market by property type. In conducting this analysis, Adelante relies on proprietary real estate transaction databases, supply and demand forecasts for various property types such as residential, commercial and industrial real estate and local market intelligence from an extensive network of contacts around the country engaged in various aspects of the real estate industry and its own subjective views for the market for real estate and real estate securities. The Fund ordinarily expects to be invested in at least four property sectors within the real estate market but, if conditions warrant, may focus its investments more narrowly. The Fund focuses on what Adelante has identified as the core sectors of the U.S. real estate market - office, industrial, retail and multi-family. The Fund may also invest in other property sectors, such as hotel, manufactured housing and storage. The property types identified through the top-down process yield a universe of companies from which Adelante then selects Fund investments. Adelante evaluates potential investments based on a variety of factors including overall investment strategy, value of underlying properties, strength of company management, fundamental analysis of financial statements and yields.

A substantial portion of the Fund's portfolio at any given time will normally be invested in real estate investment trusts ("REITs"). Furthermore, the Fund expects under normal circumstances to invest principally in what are known as "equity REITs". An equity REIT owns or leases real estate and realizes a return on its holdings primarily from rental income although it may also realize gains (or losses) by selling properties in its portfolio. Equity REITs generally exercise some degree of control over the operational aspects of their real estate investments, lease terms and property maintenance and repair.

• REITs invest shareholder capital in real estate-related loans, interests or securities. A REIT generally is not taxed on income distributed to shareholders if it complies with certain federal tax requirements relating primarily to its organization, ownership, assets and income and, further, if it distributes the vast majority of its taxable income to shareholders each year. As a consequence, REITs generally focus on income-producing real estate investments. The Fund expects its investments to be primarily in companies contained in the Dow Jones Wilshire REIT Index (the "DJ Wilshire Index") having market capitalizations that fall in the upper two thirds of the range of market capitalizations represented in the DJ Wilshire Index. These companies include those with large, medium and small capitalizations.

• The DJ Wilshire Index is an unmanaged securities index designed to measure the performance of U.S. publicly traded REITs. The composition of the DJ Wilshire Index is determined by Wilshire Associates Incorporated and includes REITs representing a variety of property types. The DJ Wilshire Index currently consists entirely of equity REITs. As of March 31, 2008, 86 securities were included in the DJ Wilshire Index, with a total market capitalization of approximately $254 billion.

Under normal market circumstances, the Fund's portfolio turnover is anticipated to be low, not exceeding 80% per year.

Primary Risks. The principal risks of investing in the Fund are the risks generally associated with investing in stocks and the risks specific to investing in the real estate industry. Fund shares are not bank deposits and are not guaranteed, endorsed or insured by any financial institution, government entity or the FDIC. The Fund's share price will fluctuate, and it is possible to lose money by investing in the Fund.

• *Risks of Investing in Stocks.* A company's stock price may fluctuate due to circumstances unique to that company. For example, a company's business prospects may affect its stock price. If investors believe the company's business prospects are good, they will generally be willing to pay higher prices for its stock. If these expectations are not met, or if expectations are lowered, the price of the securities will tend to drop. A stock's price will also tend to rise and fall as a result of investors' perceptions of the market as a whole. In other words, if the stock market drops in value, the value of the Fund's portfolio of investments is also likely to decrease in value. The increase or decrease in the value of the Fund's investments in response to this phenomenon may be proportionally more or less than the increase or decrease in the value of the market. The share prices of stock issued by medium capitalization issuers will generally fluctuate more than those of large capitalization issuers, and the share prices of small capitalization issuers will generally fluctuate more than those of medium and large capitalization issuers. To the extent the Fund invests in small and medium capitalization issuers, the Fund's share price may be more volatile than if the Fund restricted its portfolio to large capitalization issuers.

• *Risks of the Real Estate Industry.* The stock prices of companies in the real estate industry are typically sensitive to changes in real estate values, property taxes, interest rates, cash flow of underlying real estate assets, occupancy rates, government regulations affecting zoning, land use, and rents, and the management skill and creditworthiness of the issuer. Companies in the real estate industry may also be subject to liabilities under environmental and hazardous waste laws, which could negatively affect their value.

• *Risks of REITs.* REITs are dependent upon specialized management skills. They also have limited diversification and are, therefore, subject to risks inherent in operating and financing a limited number of projects. Furthermore, some REITs have relatively small market capitalizations, which tends to increase the volatility of their securities.

• *Industry Concentration.* Because the Fund concentrates its investments in real estate securities, it may be subject to greater risks and market fluctuations than a fund representing a broader range of industries. In addition, market performance tends to be cyclical and, in the various cycles, certain industries and investment approaches may fall in and out of favor. If the market does not currently favor the real estate industry or the Fund's investment approach, the Fund's gains may not be as big or its losses may be bigger than those of other equity funds investing in different industries or using different investment approaches.

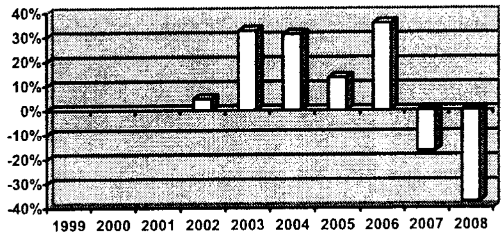
• *Non-diversified Status.* The Fund is not "diversified" within the meaning of the Investment Company Act of 1940, as amended ("1940 Act"). This means that, compared with "diversified" funds, it may invest a relatively greater portion of its assets in any single issuer. As a result, the Fund may be more susceptible to negative developments affecting a single issuer.

Fees & Expenses.
(Based on the prospectus dated May 31, 2008)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.90%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	Since Inception
Adelante U. S. Real Estate (2/16/00)	-37.23%	1.23%	9.35%
DJ Wilshire REIT Index	-39.20%	0.65%	9.04%

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Payden U.S. Growth Leaders Fund

Investment Objective. The Fund seeks long-term capital appreciation.

Primary Investment Strategies. The Fund invests primarily in common stocks of publicly traded U.S. growth companies that are financially strong, well-established and world leaders in their industries. The Fund will generally choose its investments from the largest 1,000 U.S. companies ranked by market capitalization (total market price of outstanding equity securities).

* The Fund invests principally in securities of U.S. companies, but may invest up to 20% of its total assets in securities of foreign companies, including companies in emerging markets.

* The Fund invests from time to time in exchange-traded funds, such as Standard & Poor's Depositary Receipts, and other broad equity market derivative instruments as a means to efficiently add specific sector, country or style exposure to the Fund and to invest smaller amounts of cash generally related to miscellaneous daily cash flows.

* The Fund invests from time to time in real estate investment trusts.

* Payden selects securities based on the following criteria. The weight it gives to a particular factor depends on the circumstances at the time of purchase, and some portfolio holdings may not meet all of the criteria:
— The Fund invests in companies that have a dominant market share, or are in specialized market niches.
— The Fund invests in companies with strong earnings and cash flows to finance future growth.
— The Fund invests in companies that have a global presence, that enjoy the benefits of size and scale, and that serve underpenetrated and rapidly growing markets.

* Payden believes that companies with these characteristics should have relatively low business risk and relatively high ability to sustain earnings growth.

* The Fund is "non-diversified," which means that Payden may from time to time invest a larger percentage of the Fund's assets in securities of a limited number of issuers.

Primary Risks. By investing in stocks, the Fund exposes you to certain risks, including a sudden decline in a holding's share price, or an overall decline in the stock market. As with any stock fund, the value of your investment will fluctuate on a day-to-day basis with movements in the stock market, as well as in response to the activities of the individual companies whose stocks the Fund owns. By investing in the Fund, therefore, you could lose money.

* Investing in foreign securities poses additional risks. The performance of foreign securities can be adversely affected by the different political, regulatory and economic environments in countries where the Fund invests. In addition, emerging markets tend to be more volatile than the U.S. market or developed foreign markets. Fluctuations in foreign currency exchange rates may also adversely affect the value of foreign securities in which the Fund has invested.

* Because an ETF is designed to track closely the performance of a particular market index, if the underlying index, such as an equity-based index, is subject to increased volatility, the ETF may be subject to such increased volatility, as well. Similarly, it may be subject to the risks of

trading halts and other similar risks to which securities trading on a exchange are subject.

* The Fund currently invests a significant portion of its total assets in companies in various technology industries and may do so in the future. Market or economic factors impacting technology companies could have a major effect on the value of the Fund's investments. Stock prices of technology companies are particularly vulnerable to rapid changes in product cycles, government regulation, high personnel turnover and shortages of skilled employees, product development problems, and aggressive pricing and other forms of competition.

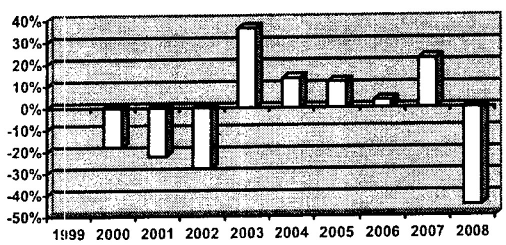
* The Fund is "non-diversified." As a result, events that affect a few — or even one — of the Fund's investments may have a greater impact on the value of the Fund's shares than they would if the fund were diversified.

Fees & Expenses.
(Based on the prospectus dated February 27, 2009)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	0.98%
Redemption Fee (if shares are redeemed or exchanged within 30 days of purchase.)	2.00%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	Since Inception
Payden U.S. Growth Leaders (6/17/99)	-44.90%	-2.45%	-4.37%
Russell 1000 Growth Index	-38.44%	-3.42%	-5.06%

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FMA Small Company Portfolio

Investment Objective. The FMA Small Company Portfolio (the "Fund") seeks maximum long-term total return, consistent with reasonable risk to principal, by investing in common stocks of smaller companies in terms of revenues and market capitalization. The Fund may change its investment objective without shareholder approval.

Primary Investment Strategies. Under normal circumstances, the Fund seeks to achieve its investment objective by investing at least 80% of its net assets in common stocks of domestic companies that are smaller or less established in terms of revenues and have market capitalizations that are less than $2.5 billion at the time of initial purchase. This investment policy may not be changed by the Fund upon 60 days' prior notice to shareholders. At any given time, the Fund may own a diversified group of stocks in several industries. The Fund invests mainly in common stocks, but it may also invest in other types of equity securities.

Fiduciary Management Associates, LLC ("FMA" or the "Adviser") employs a relative value philosophy to analyze and select investments that have attractive valuations as well as potential catalysts that are expected to lead to accelerated earnings and cash flow growth. The Adviser evaluates broad themes and market developments that can be exploited through portfolio construction and rigorous fundamental research to identify investments that are best positioned to take advantage of impending catalysts and trends. The Adviser believes that earnings and cash flow growth are the principal drivers of investment performance, particularly when accompanied by visible, quantifiable catalysts that have not been fully recognized by the investment community.

The Adviser continuously monitors and evaluates investments held by the Fund to discern changes in trends, modify investment outlooks, and adjust valuations accordingly. The Adviser attempts to mitigate excess risk through ownership of a well-diversified portfolio with broad representation across market industries and sectors. The Adviser will liquidate an investment based on several factors, including asset valuation, changes in prospective attributes and purchases of alternative investments with potentially higher returns. The Adviser generally will not sell a stock merely due to market appreciation outside the Fund's target capitalization range if it believes the company has growth potential.

Due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities than a fund with a buy and hold strategy.

Primary Risks. As with all mutual funds, a shareholder is subject to the risk that his or her investment could lose money. There is also a possibility that the Fund will not achieve its goal. This could happen because its strategy failed to produce the intended results or because the Adviser did not implement its strategy properly. The Fund's shares are not bank deposits and are not guaranteed, endorsed or insured by any financial institution, government authority or the Federal Deposit Insurance Corporation.

Equity Risk — Since it purchases equity securities, the Fund is subject to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and that value of the Fund's equity securities may fluctuate drastically from day-to-day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in the Fund. This risk is greater for small- and medium-sized companies, which tend to be more vulnerable to adverse developments than larger companies.

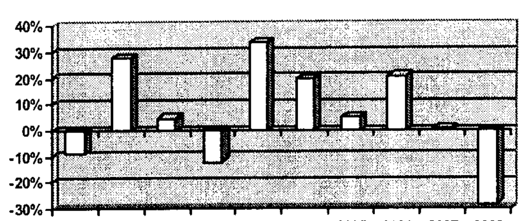
Small Company Risk — The small-capitalization companies in which the Fund will invest may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small-sized companies may pose additional risks, including liquidity risk, because these companies tend to have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small-cap stocks may be more volatile than those of larger companies. These securities may be traded over-the-counter or listed on an exchange.

Fees & Expenses.
(Based on the prospectus dated March 1, 2009)

Total Annual Fund Operating Expenses expenses deducted from Fund's assets	1.38%

Performance Information.
The following bar chart and table are intended to help you understand the risks of investing in the Fund. The bar chart shows how the performance of the Fund has varied from one calendar year to another. The table shows the average annual total returns. Keep in mind that the Fund's past returns do not indicate how it will perform in the future.

Annual Total Returns



Avg. Annual Total Returns for periods ending Dec. 31, 2008

	1 Yr	5 Yr	10 Yr
FMA Small Co. Portfolio (7/6/07)	-28.46%	1.75%	4.51%
Russell 2000 Index	-33.79%	-0.93%	3.02%

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Bright Directions® College Savings Program Privacy Policy

Offering excellent service along with protecting your privacy is important to the Bright Directions® College Savings Program ("Program").

When you do business with the Program you are asked to provide us with personal information. This information is important because it helps us to effectively process your transactions and helps efforts to prevent access to personal financial information by unauthorized persons. We also gather certain information to comply with laws and regulations that govern the financial services industry.

Union Bank & Trust Company, as the Program Manager of the Bright Directions® College Savings Program, provides the day-to-day administrative services of the Program, including the gathering of personal information to effectively serve our customers. We may disclose information we have collected to companies who help us maintain and service your account. For example, we may share information with other companies and professionals who need information to process your account and provide other record keeping services. We may also share information with Northern Trust Securities, Inc., the Distributor of the Program. Each company with whom we share information has agreed to abide by the following and is strictly prohibited from disclosing or using the information for any purpose other than the purposes for which it is provided to them.

As an Account Owner of the Program, this policy details how we use and safeguard the information you provide to us.

If you have any questions about our Financial Privacy Policy, please contact the Bright Directions® College Savings Program at 866-722-7283.

THE INFORMATION WE COLLECT

We collect information about you from the following sources:

- Information you give us on applications or other forms
- Information about your transactions with us

DISCLOSURE OF INFORMATION

The Bright Directions® College Savings Program does not disclose the personal information of current or former Account Owners and/or Beneficiaries to any other person outside the Program, unless you consent or it is permitted under applicable federal and state laws. The Bright Directions® College Savings Program may also disclose your personal information if it is allowed or required by its contract with the State of Illinois. With your consent or if allowed by law, we will provide your personal information to the financial advisor you designate.

CONFIDENTIALITY AND SECURITY

We restrict access to information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to protect this information.

OUTSIDE SERVICE PROVIDERS/MARKETERS

We may disclose all of the information we collect, as described above, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

BRIGHTDIRECTIONS®
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Alexi Giannoulias
Illinois State Treasurer
Trustee & Administrator

UNION BANK & TRUST COMPANY®
Program Manager

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