

FutureScholar 
South Carolina's 529 College Savings Plan



Invest in their future.

One day they will thank you.

Administered by:
Curtis M. Loftis, Jr.
State Treasurer
State of South Carolina





Dear Investor,

One of the most important ways we can help our children achieve success is to clear a path toward higher education. That's why I'm so pleased to introduce a smarter way to save for college: the Future Scholar 529 Plan.

The Future Scholar 529 Plan is sponsored by the State of South Carolina and administered by the South Carolina State Treasurer's Office. Future Scholar is designed to help you jump-start your college savings while enjoying federal and state income tax benefits.

In addition, you'll have the satisfaction of knowing that you're investing now — in one of the smartest ways possible — for your family's future. If you're looking for a way to bridge the gap between your current savings and what you'll need for college, I encourage you to learn more about all the ways Future Scholar can help you reach your education funding goals.

Sincerely,

Curtis Loftis



Curtis M. Loftis, Jr.
State Treasurer
State of South Carolina



Invest now for their future education

When planning for future college expenses, how much should you really expect to pay? For a child born in 2016, the projected cost of a four-year public college education could total about \$236,770.* Help make funding college more manageable by planning early, better positioning yourself and your child for the day the tuition bills come due. Your child will thank you for it later.

Future Scholar, South Carolina's 529 college savings plan, is designed to help make saving easier. Future Scholar is sponsored by the Office of State Treasurer Curtis M. Loftis, Jr. and managed by Columbia Management.

* Source: College Savings Projector on futurescholar.com, as of February 2016. Based on the cost for a public four-year college and assumes a 5% rate of inflation.

Why choose Future Scholar?

- 1. Save more for education, pay less in taxes.** Future Scholar offers several valuable tax benefits, so you pay less in taxes while your savings can grow faster.
 - State income tax deduction for South Carolina taxpayers:** Taxpayers may deduct up to 100% of the contributions made to their Future Scholar accounts from their South Carolina state income tax return (up to \$400,000).
 - Tax-free growth:** Account earnings grow free of federal and state income taxes.
 - Tax-free withdrawals:** Withdrawals from your account are free from federal and South Carolina state income taxes when used for qualified higher education expenses.
- 2. Invest your way.** Future Scholar offers a broad range of investment options. Whether you want a ready-mixed investment portfolio or more choice and control in determining where your money is invested, Future Scholar has an option that is likely suitable for your situation and level of investing experience.
- 3. Flexibility to change beneficiaries.** The beneficiary of your Future Scholar account can be changed to a qualified family member of the current beneficiary (for instance, if your child does not attend college).
- 4. Anyone can contribute.** Encourage grandparents, family members and friends to help fund your child's education. Contributions to a Future Scholar account make great gifts for birthdays, holidays and other special occasions. And in-state contributors may be eligible for a state income tax deduction.
- 5. It's easy to get started.** There is no minimum investment required to open an account. You can also enroll in the Automatic Contribution Plan to transfer money directly from your bank account to your Future Scholar account.

Frequently asked questions

Q: Can my child attend college anywhere?

A: Funds in your account may be used at any eligible educational institution in the country, including two- and four-year public and private colleges, and graduate, professional and certain vocational programs. Visit fafsa.ed.gov for a complete list.

Q: What types of college expenses can I pay for with my Future Scholar account?

A: Funds in your account can be used to pay qualified expenses such as tuition and fees, room and board, books, supplies, computers and related equipment.

Q: What happens to the funds if my child receives a scholarship?

A: If your beneficiary receives a scholarship, you are allowed a withdrawal for the amount of the scholarship. Any remaining funds in the account can be used to cover educational expenses not covered by the scholarship, or a new beneficiary can be named.

Q: Can I open an account for someone other than my child?

A: Yes. Whether it's a grandchild, niece, nephew, friend or even yourself — a Future Scholar account can be opened for any U.S. citizen or resident alien with a valid Social Security number or Taxpayer Identification Number.

Enroll in Future Scholar today and join thousands of South Carolinians who are planning now to make dreams come true.

Visit futurescholar.com or call 888.244.5674 for more information.

Please consider the investment objectives, risks, charges and expenses carefully before investing. Contact your financial advisor or visit columbiathreadneedle.com/us for a Program Description, which contains this and other important information about the Future Scholar 529 College Savings Plan. Read it carefully before investing. You should also consider, before investing, whether the investor's or designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program.

Participation in the Direct Plan is limited to a select group of investors, as described in the Program Description. You may also participate in the Advisor Plan, which is sold exclusively through financial advisors. The Advisor Plan offers additional investment choices, but the fees and expenses are higher. Please refer to the Program Description for more information.

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Tax treatment varies by state. For residents of states other than South Carolina: Favorable state tax treatment for investing in a Section 529 college savings plan may be limited to investments in a Section 529 college savings plan offered by your home state. You should consult with your tax advisor about any state or local taxes before making any tax-related decisions. The tax information set forth in this brochure is general in nature and does not constitute tax advice on the part of Columbia Management Investment Distributors, Inc., its affiliates or the South Carolina Office of State Treasurer.

Withdrawal of earnings not used for qualified higher education expenses will be subject to federal and possibly state income tax and may be subject to an additional 10% penalty.



Not FDIC insured • No bank, state or federal guarantee • May lose value

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